FBIS DAILY REPORT

CONTENTS

Latin America

Vol VI No 246 *22 December 1982*

ARGENTINA

President Reportedly To Attend Nonaligned Meeting B 1
Draft Nonaligned Communique on Falklands Reported B 1
Federal Judge Clashes With Nicolaides Over List B 2
[BUENOS AIRES HERALD 20 Dec]
Judge Reportedly Resigns B 3
Paraguayan Industry Minister Meets President B 3
Meets Foreign Minister B 3
Flood Situation in Santa Fe 'Extremely Serious' B 4
We'll Recover Falklands, Says Navy Commander B 4
Antarctic Agreement Reached With Chile B 5
Multiparty Not To Meet With Italian Congressmen B 5
Italian Congressional Delegation Ends Visit B 5
British Participation in Bridge-Loan Noted [CLARIN 19 Dec] B 5
Argentine Motor Transport Union Confirms Stoppage B 6
Army Investigating 6 Dec Personnel Absenteeism B 6
No One Under Arrest for Murder of Worker B 6
PCA To Have Own Candidates in Next Elections B 7
Briefs: New Federal Police Official; New Ambassador to Ethiopia; B 7
Army Rehabilitating Antarctic Base;
Uranium Dioxide Plant Dedicated; GNP Drops 5.7 Percent

BOLIVIA

COB Temporarily Accepts Government Wage Policy C 1
Lechin Pledges To Defend Democratic Government C 1

BRAZIL

$160 Million in Sugar Sold to Soviet Union D 1
[JORNAL DO BRASIL 15 Dec]
UK Banks Increase Loan to $214 Million D 1
[FOLHA DE SAO PAULO 18 Dec]
Netto Sees Trip to New York as Success D 1
1983 Budget Features Cuts in Subsidies D 2
Navy Minister Says Antarctic Base To Be Built D 2
[JORNAL DO BRASIL 19 Dec]
Justice Minister Proposes District Vote Amendment D 2
[LATIN AMERICA DAILY POST 21 Dec]
Paper Scores Figueiredo's Relations With Press D 3
[O ESTADO DE SAO PAULO 12 Dec]
Columnist Advocates Legalization of PCB D 3
[O ESTADO DE SAO PAULO 15 Dec]
Briefs: New Antimissile Cannon D 4

CHILE

Bishops Issue Letter on Country's Situation E 1
Government Reacts E 2
Briefs: Japanese Loan; Trade, International Reserves Figures E 2

COLOMBIA

Government Orders 'Economic Emergency' F 1
Government Issues Decree Limiting Bank Loans F 1
Briefs: Agreement With Panama F 1

ECUADOR

Minister Views Antisubversive Measures G 1
Briefs: CEPE Budget G 1

PARAGUAY

Laino's Expulsion Causes Additional Protest H 1
Senate Row [ABC COLOR 18 Dec] H 1
Liberal Workers Communique [ULTIMA HORA 18 Dec] H 2
Febreristas Communique [HOY 18 Dec] H 2

PERU

President Denounces Weapons-Drug Barter J 1
[EL COMERCIO 16 Dec]
Reports Helicopters Purchase [EL COMERCIO 17 Dec] J 1
Prime Minister Designate on Relations With U.S. J 1
[EL COMERCIO 16 Dec]
Schwalb Promises Broad Antiterrorist Offensive J 2
[EL COMERCIO 16 Dec]
Congress Approves Draft Budget for 1983 J 3
[EL COMERCIO 15 Dec]
President Belaunde Appoints New Economy Minister J 3
Police Discover Terrorist Plan for Lima [EXPRESO 6 Dec] J 3
Columnist Discounts Cuban Ties to Shining Path J 4
[EXPRESO 11 Dec]
Terrorists Shoot Former Policeman, 'Informer' J 5
Terrorists Rob Chimbote Bank; 3 Killed J 5

MEXICO

Commerce Secretariat Allows Export of Currency M 1
South Korea's Kim Sang-hyop Ends Visit, Departs M 1

PANAMA

Arias Calderon Says 'No One Believes' Paredes N 1
[LA PRENSA 21 Dec]
CONEP President Worried Over Expropriation Policy N 2
[LA PRENSA 19 Dec]
Canal Bridge Contract To Be Revoked [LA PRENSA 17 Dec] N 3

CENTRAL AMERICA

COSTA RICA

President Monge 'Pleased' With FMLN Assurances P 1
President Monge Backs Volio's Foreign Policy P 1
Government Grants Residency to Eden Pastora P 1
IMF Loan Approval Facilitates Debt Renegotiation P 2

EL SALVADOR

PDC, PCN, PPS Endorse Resignation Request P 2
[LA PRENSA GRAFICA 21 Dec]
Arena Claims PDC 'Plot' [EL DIARIO DE HOY 20 Dec] P 2
Economic Reactivation Committee Sworn In P 3
Alvaro Magana Comments P 4
ERP Chief Joaquin Villalobos Grants Interview P 4
Part 1 [EL NUEVO DIARIO 13 Dec] P 4
Part 2 [EL NUEVO DIARIO 14 Dec] P 10
Havana Radio Notes Pan-American Highway Attacks P 16
Rebel Harassment Interrupts Coffee Harvest P 17
Radio Venceremos Comments on Cabinet Reshuffle P 17
Briefs: New Revolutionary Paper P 18

GUATEMALA

Government Permits Publication of Manifesto P 19
Kidnappers List Instructions P 19
San Marcos 'Alarmed' by Recent Kidnapping Wave P 21

HONDURAS

Government Appoints New Ministers, Adviser P 21
Correction to Paz Barnica Letter to UN, OAS P 21

NICARAGUA

Annihilation of 'Counterrevolutionaries' Seen P 22
Technical Collaboration Pact Signed With USSR P 22
[BARRICADA 16 Dec]
EPS Discovers Clandestine Cemetery in Jalapa P 23
Anude Calls for Unity of Opposition Groups P 23
[San Jose LA NACION 13 Dec]
Democratic Movement on Death of 75 Children P 24
[San Jose LA NACION 13 Dec]
Briefs: Ambassador to Bolivia; Deputy Justice Minister; P 25
Export Statistics; Dairy Project Inaugurated

CUBA

Castro Addresses FEU Congress in Havana Q 1
FEU Presents New Officers Q 2
Almeida Bosque Arrives in Zambia 21 Dec Q 2
USSR Proposal on European Arms Reduction Cited Q 2
Raul Castro Speaks at USSR Anniversary Meeting Q 2
[cross-reference]

GUYANA

Supreme Congress Backs Government Policies T 1
Cheddi Jagan Supports Suriname Clampdown T 2
Briefs: IMF Buys SDRS T 2

PRESIDENT REPORTEDLY TO ATTEND NONALIGNED MEETING

PY211849 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1450 GMT 21 Dec 82

[Text] Buenos Aires, 21 Dec (NA) -- President Reynaldo Bignone will reportedly go abroad to participate in the meeting of Nonaligned Movement heads of state that will be held in New Delhi in March 1983. This is what has been reported in official circles.

The sources stated that the most important aspects of the trip will be arranged by Foreign Minister Juan Ramon Aguirre Lanari during the upcoming meeting of the Nonaligned Movement's Coordinating Bureau. That meeting will be held in Managua in January.

Aguirre Lanari will travel to Managua on 8 January along with a small entourage, and he will return 2 days later. The Argentine delegation to the bureau's meeting will be headed by Carlos Manuel Muniz, permanent Argentine representative at the United Nations. Argentina is not a member of the Coordinating Bureau, and this fact elicited the assertion that the foreign minister's trip is designed to arrange Bignone's trip to India.

Similarly, the foreign minister will reportedly attempt to have the summit meeting in New Delhi put emphasis on the Malvinas issue and on the Argentine declaration regarding noninterference in Central American conflicts.

DRAFT NONALIGNED COMMUNIQUE ON FALKLANDS REPORTED

PY220000 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2023 GMT 21 Dec 82

[Special Report for NA by Juan B. Yofre]

[Text] Buenos Aires, 21 Dec (NA) -- Foreign Minister Juan Aguirre Lanari has decided to travel to Nicaragua, heading the Argentine delegation to attend the meeting of the Nonaligned Movement's Coordinating Bureau.

Sources close to San Martin Palace have reported that current Ambassador to the United Nations Carlos Manuel Muniz, and what seems more important, the Governments of Cuba and Nicaragua, among others, exerted influence to reach this decision.

In fact, the Argentine Foreign Ministry has received during the past few days a confidential draft document which is circulating among the member countries of the Nonaligned Movement, and which is to be presented by the Nicaraguan Government.

The document includes 74 points which will be the basis of the communique which the bloc of nonaligned countries intends to issue at the end of the deliberations.

This draft document deals totally with the economic, social, and political situation in Latin America and the Caribbean, because it was agreed upon at the last meeting in Havana that on this occasion the meeting will give preferential treatment to our continent.

After a thorough analysis of the document at San Martin Palace, it was decided that it would be important for the foreign minister to be present in Managua.

This decision is reportedly based on the ideas which the document includes on the Malvinas issue, and also because this is a preliminary meeting to the summit conference of the movement to be held in New Delhi.

Before the foreign minister's departure, which is scheduled for 8 January 1983 (everything depends on the availability of the presidential airplane), Atilio Molteni and Oscar Torres Abalos, directors of the International Organizations and of the Central American and Caribbean Departments, will leave for Havana to establish contacts and to discuss further certain points of view included in the document.

As is known, Cuba holds the presidency of the movement for a period of 1 year, and the Cuban influence on some members of the movement is well known.

Analysis of the current situation in South America starts in point 60 of the draft document. The first six points of point 60 refer to the movement's view of the South Atlantic conflict. These points state the ministers' concern, in view of the movement's line of thought, over the situation in South America "where points of tension persist due to the presence of colonialism in the South Atlantic, as well as to the continuing absence of democratic institutions in some countries of the region that also maintain political and military ties with the shameful apartheid regime." The last part of this paragraph refers to the governments of Chile, Paraguay and Uruguay.

The ministers reiterate their "concern over the continuing tense atmosphere in the South Atlantic as a consequence of the colonialist and imperialist policy," and at the same time support "Argentina's right to restore the Malvinas Islands to its sovereignty."

The ministers recall that "the struggle against colonialism is a basic principle of the movement and reiterate their firm solidarity with Argentina." Moreover, in point 62 they reiterate that the Malvinas, South Georgia and Sandwich Islands "are an integral part of the Latin American region and the British military action, as well as the open and covert pressures and actions carried out by the United States and other countries, affects the entire region."

The ministers repudiated "the U.S. political and military support granted in arms and logistics to the United Kingdom during the conflict." The draft document maintains these actions of Reagan's administration "negate the proclaimed principles of good neighborliness and collective regional defense hypocritically advocated by that country in other circumstances."

The ministers denounced "any attempt by the United Kingdom or any other power to establish military bases or impose security agreements on that Latin American territory."

At the end, in point 65, the ministers "urge" the Argentine and British Governments to "resume talks" in compliance with the UN resolution of October.

As some observers have pointed out, the draft is liable to undergo some changes. The text of the final communique, which will be issued on 14 January, will state the paths along which San Martin Palace believes that relations with the United States, among other things, should be conducted.

FEDERAL JUDGE CLASHES WITH NICOLAIDES OVER LIST

PY212057 Buenos Aires BUENOS AIRES HERALD in English 20 Dec 82 p 5

[Text] A federal judge has called for the Supreme Court to step in to solve what he termed "a power conflict" with the Army arising from the military's refusal to comply with his request for information in a case of habeas corpus.

Federal Judge Pedro Narvaiz had requested Army Commander in Chief Cristino Nicolaides to submit a list of officers serving in the Ninth Infantry Brigade in Comodoro Rivadavia when Juan Patricio Maroni disappeared there in 1978.

Lieutenant-General Nicolaides refused to hand over the information requested by the judge, alleging that "the provisions of Decree 1568/50 make it impossible to provide the data required."

"Security reasons involving national defence make it necessary for his (army) command to keep this matter under the highest secrecy," Nicolaides said in his reply to Narvaiz.

Addressing the Suprme Court, the federal judge said the internal decree quoted in Nicolaides' reply, dated November 16, cannot be opposed to a national law. Declaring the information he requested to be "secret" is "tantamount to turning the country into an army boot camp, and they are not the same," Narvaiz said.

Asking the Supreme Court to step in, the judge said Nicolaides' reply, "coming from a member of the junta," created "a clash, a collision of power" which is "beyond a judge's level."

Judge Reportedly Resigns

PY212059 Buenos Aires DYN in Spanish 1703 GMT 21 Dec 82

[Excerpt] Buenos Aires, 21 Dec (DYN) -- Government sources reported today that Justice Minister Lucas Lennon informed President Reynaldo Bignone today about Judge Pedro Narvaiz's decision to resign. Narvaiz resigned because he feels that the executive branch does not "respect" the courts' rulings.

Bignone received Lennon today, and although the official report does not confirm the purpose of the meeting, it was learned that the federal judge's resignation was one of the subjects discussed during the meeting.

Narvaiz's resignation, which is dated 21 December, was presented to the justice minister this morning. It was also learned that Narvaiz has already left the country.

PARAGUAYAN INDUSTRY MINISTER MEETS PRESIDENT

PY202126 Buenos Aires Domestic Service in Spanish 2000 GMT 20 Dec 82

[Report from Government House]

[Excerpt] At approximately 1300 local time today, President Reynaldo Bignone received Paraguayan Industry and Commerce Minister Dr Delfin Ugarte Centurion, who was accompanied by the Paraguyan ambassador to Argentina, Antonio Masulli Fuster. Minister Ugarte Centurion conveyed to President Bignone both his greetings and those of Paraguyan President Gen Alfredo Stroessner.

During the audience, the visitor informed the Argentine president about the purpose of his visit to our country, which is connected to the Yacyreta binational project.

Meets Foreign Minister

PY211259 Buenos Aires Domestic Service in Spanish 1030 GMT 21 Dec 82

[Text] The Paraguyan industry minister visiting the country, Dr Delfin Ugarte Centurion, greeted Foreign Minister Juan Ramon Aguirre Lanari yesterday. Dr Antonio Fuster, Paraguyan ambassador to Argentina, also participated in the protocol meeting.

FLOOD SITUATION IN SANTA FE 'EXTREMELY SERIOUS'

PY211854 Buenos Aires Domestic Service in Spanish 1600 GMT 21 Dec 82

[Excerpt] The situation brought about by the floods in the city of Santa Fe and in the surrounding areas has been described as extremely serious.

The Parana River rose again as a result of yesterday's rains. The naval prefecture of Santa Fe reported that the Parana River was 6.61 meters high this morning, that is, 22 centimeters higher than yesterday's mark. A spokesman for the Santa Fe Action Committee has stated that the situation is extremely serious. Last night, Santa Fe city authorities released a communique asking for the total evacuation of La Guardia and of Alto Verde Districts because the rising waters threatened to destroy the dikes. There are approximately 6,000 evacuated persons in the city of Santa Fe. Out of this figure, 5,600 persons are in shelters and the remaining number are in private homes. A reporter of the news agency TELAM who flew over the flooded areas reported that the Santa Fe neighborhoods really look like a sea.

The following rivers are overflowing their banks: Parana, San Javier, Laguna Setubal, Salado, Santa Fe and Coronda.

From the air it is possible to see that all the islands lying between the coasts of Santa Fe and Entre Rios are covered by water.

WE'LL RECOVER FALKLANDS, SAYS NAVY COMMANDER

PY211238 Buenos Aires DYN in Spanish 2330 GMT 20 Dec 82

[Text] Buenos Aires, 20 Dec (DYN) -- Navy Commander in Chief Adm Ruben Franco said today that "the objective established, to recover the Malvinas, Georgias and South Sandwich Islands remains intact," because "our desire to win has not been crushed" and "we will never give up our seized southern territory."

Franco spoke this evening during a ceremony which started at 2030 in the "Libertador" Building, Navy headquarters, in which he decorated Venezuelan Navy Commander Vice Adm Jesus Bertorelli Moreno with the Order of May "Almirante Brown" Grand Cross.

The Argentine Navy commander stated that "we have just emerged from a war, depressed but not morally defeated, supported and endorsed by the Venezuelan people," a people "with a moral integrity capable of defending their own rights and our rights, with a creative capacity to freely engage in the defense of the high continental ideals, with a spiritual delicacy which does not yield to the interests created by the perpetrators of abuses and usurpation."

In referring to the Malvinas, Franco pointed out that "neither the blood we have shed nor the true signs of friendship of the Venezuelan people and government will fall into oblivion." On the contrary, they "are part of the votive flame of our memory which we will keep lit throughout history because, regardless of the time which may pass, we will once again hoist our flag in the very same place in which the recent Argentine heroes, who have become firm historic roots, unforgettably rest."

Tomorrow Vice Admiral Bertorelli will visit the submarine shipyard "Domecq Garcia" and the day after he will return to Caracas.

ANTARCTIC AGREEMENT REACHED WITH CHILE

PY201701 Paris AFP in Spanish 0259 GMT 18 Dec 82

[Text] Buenos Aires, 17 Dec (AFP) -- The Foreign Ministry has reported that Chilean and Argentine officials reached an agreement in this capital today regarding a wide range of Antarctic problems.

The two countries have submitted a century-old dispute over the Beagle Channel in the south to mediation by the pope, and the verdict may affect the interests of one of the parties because of its repercussions on territorial sovereignty on the frozen continent.

A brief communique said that the attention of the participants was centered on future meetings regarding the establishment of a system for exploration and exploitation of minerals in the Antarctic, the implementation of the convention on the preservation of Antarctic marine life and the upcoming consultative meeting of the signatory countries of the Antarctic treaty.

The Foreign Ministry report stressed that the talks showed that there is a broad range of agreement between Chile and Argentina regarding these matters because of their common interests in that region.

MULTIPARTY NOT TO MEET WITH ITALIAN CONGRESSMEN

PY211302 Buenos Aires Domestic Service in Spanish 1030 GMT 21 Dec 82

[Text] Leaders Carlos Contin, of the Radical Civic Union, and Deolindo Bittel, of the Justicialist Party, have stated that the Multiparty has rejected the invitation [to meet with Italian congressmen] because it is irrelevant. Contin and Bittel made this statement when asked whether they would hold a meeting with the Italian congressional delegation that is investigating the missing persons case.

In a talk with journalists, Dr Contin stated that the invitation is irrelevent because there is no reason why we should discuss this subject with foreign officials. The Radical leader added that the missing persons issue is a domestic issue that will be resolved by the Argentine people. Justicialist leader Bittel endorsed Dr Contin's statements.

ITALIAN CONGRESSIONAL DELEGATION ENDS VISIT

PY220257 Buenos Aires Argentina Televisora Color Network in Spanish 0000 GMT 22 Dec 82

[Text] The subject of the missing people must not disturb the relationship between Italy and Argentina. This was stated by Italian Communist Deputy [as heard] Aldo Aielo shortly before returning to his country. The Italian delegation denied that it had come to carry out investigations.

BRITISH PARTICIPATION IN BRIDGE-LOAN NOTED

PY211615 Buenos Aires CLARIN in Spanish 19 Dec 82 p 18

[Excerpt] The Bank of England has recently authorized the private financial institutions of that country to participate in the renegotiation of Argentina's external debt. Thus, these institutions are now free of obstacles and can contribute the $100 million that is their share of the $1.1 billion bridge-loan that will be used to regularize the international bank payments that are overdue.

The practical acumen of the London bankers has once again prevailed over the political wishes of a sector of Margaret Thatcher's Conservative government and the Bank of England has given the "green light" to the participation of the financial institutions of that country in the reorganization of Argentina's external debt.

The firm support provided by the city's [given in English] ruling [financial] institution means that that country's banks can participate, free of any type of questioning, in the $1.1 billion bridge-loan that private banking institutions will grant Argentina so that it can pay the interest that it owes until the IMF makes effective the standby loan.

ARGENTINE MOTOR TRANSPORT UNION CONFIRMS STOPPAGE

PY220254 Buenos Aires Argentina Televisora Color Network in Spanish 0000 GMT 22 Dec 82

[Text] At the end of the meeting with Labor Minister Hector Villaveiran, the leader of the Motor Transport Workers Union, UTA, confirmed that his union would hold a stoppage on 23, 24, 30 and 31 December.

ARMY INVESTIGATING 6 DEC PERSONNEL ABSENTEEISM

PY201656 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1421 GMT 18 Dec 82

[Excerpt] Buenos Aires, 18 Dec (NA) -- The Army has reportedly punished noncommissioned officers with a 15-day arrest and started an internal investigation into the situation of officers and civilian personnel who did not report for work on 6 December, the day of the national stoppage called for by the two labor centrals, according to military sources.

Army Chief of Staff Gen Edgardo Calvi has also ordered an "exhaustive evaluation of the real cause regarding the absence" of personnel on the day of the stoppage. According to what has been learned, Calvi implemented the message on the day of the stoppage in view of the significant absenteeism among the military and cilivian personnel who work at army headquarters.

It has been learned that the noncommissioned officers who did not turn up for work on that day have been punished with a 15-day arrest and that in the cases of officers and civilian personnel an internal investigation has been opened. Regarding civilian personnel, Calvi has also issued an extensive memorandum ordering an investigation into the degree of support they might have given the labor stoppage.

NO ONE UNDER ARREST FOR MURDER OF WORKER

PY202136 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1832 GMT 20 Dec 82

[Text] Buenos Aires, 20 Dec (NA) -- This afternoon Federal Attorney Fernando Zavalia stated that no person is being held under arrest for the murder of the worker Dalmiro Flores during the incidents that took place last Thursday at the Plaza de Mayo. Zavalia pointed out that several persons, who had testified as witnesses, have charged that the four occupants of a Ford Falcon were responsible for the murder. According to Chief of Police Gen Juan Sasiain, the car belongs to the police department.

According to the attorney, the occupants of the vehicle were questioned by personnel of the Second Police Station but he did not reveal the status of proceedings against them.

PCA TO HAVE OWN CANDIDATES IN NEXT ELECTIONS

PY201919 Buenos Aires TELAM in Spanish 1545 GMT 18 Dec 82

[Text] Santa Fe, 18 Dec (TELAM) -- The Argentine Communist Party [PCA] will put up candidates at all institutional levels during the next elections, according to the PCA's Provincial Committee, which has released a communique.

The communique indicates that within the framework of the success that it has had with the membership cards, it (the party) has made an important political resolution that, without doubt, will be received with great happiness by its members: to name within the shortest possible time its candidates for president and for all elective posts within the republic's institutions.

"The programmatic proposals and the declarations of communist candidates that they will be at the service of the unity of democratic forces and of the solutions that the country demands are a serious contribution to relations and understanding among the forces that are struggling for substantial changes in Argentina," the Santa Fe Committee of the PCA asserts in its declaration.

This will be the second time that the PCA will participate on its own in presidential elections. In 1958 it supported the Rodolfo Ghioldi-Ruben Iscaro ticket. The PCA in the 1973 elections supported the candidates of the Revolutionary People's Alliance, Oscar Alende and Horacio Sueldo.

BRIEFS

NEW FEDERAL POLICE OFFICIAL -- Buenos Aires, 15 Dec (TELAM) -- Argentine Federal Police Chief Gen Juan Buatista Sasiain today installed police officer Antonio Gettor as the new deputy chief of the Federal Police. [Buenos Aires TELAM in Spanish 1446 GMT 15 Dec 82 PY]

NEW AMBASSADOR TO ETHIOPIA -- Buenos Aires, 17 Dec (TELAM) -- The executive branch has appointed Hector Ruben Mendizabal Nogues as the new Argentine ambassador to Ethiopia. [Buenos Aires TELAM in Spanish 1517 GMT 15 Dec 82 PY]

ARMY REHABILITATING ANTARCTIC BASE -- An army patrol has succeeded in arriving at the Alferez de Navio Sobral Antarctic Base, the southernmost army base in the Antarctic Territory. This base has been rehabilitated after 22 years. The Alferez de Navio Sobral Base is located approximately 1,000 km from the South Pole. The army command has reported that since 22 November the members of the patrol have been taking the necessary measures to rehabilitate the base in keeping with the policies adopted by the Argentine Army. [Buenos Aires LA NACION in Spanish 7 Dec 82 p 11 PY]

URANIUM DIOXIDE PLANT DEDICATED -- The chairman of the National Atomic Energy Commission and the Cordoba governor dedicated a uranium dioxide-producing plant in Cordoba Province on 15 December. It was stated that the plant will supply the Atucha I and Embalse nuclear plants with uranium dioxide. [Buenos Aires Domestic Service in Spanish 2000 GMT 15 Dec 82 PY]

GNP DROPS 5.7 PERCENT -- The Economy Ministry has reported that the GNP for the June-September period of 1982 dropped 2.8 percent compared to the same period in 1981. The GNP for the first 9 months of 1982 has declined 5.7 percent compared to the same period in 1981. On the other hand, during the first 9 months of 1982, exports and imports declined 5.1 and 46.0 percent respectively compared to the same period in 1981. [Buenos Aires CLARIN in Spanish 3 Dec 82 p 14 PY]

COB TEMPORARILY ACCEPTS GOVERNMENT WAGE POLICY

PY172352 La Paz Cadena Panamericana in Spanish 0000 GMT 17 Dec 82

[Text] The plenary meeting of the Bolivian Labor Federation [COB] executive committee has decided to accept temporarily the wages fixed according to the new economic policy of the Democratic and Popular Unity [UDP] government. This has been stated in a document signed by Oscar Sanjines Rodriguez, Simon Reyes Rivera, (Victor Lima), (Castor Rivero Velasco) and other members of the leading Bolivian labor organization.

The document says wages should be revised at the end of the time limit set by the constitutional president. The document states that the labor organizations will make their proposals on the issue on the basis of demands resulting from the constant deterioration of the purchasing power of wages. It adds that the decision was made after hearing the views of the various labor sectors in specific problems.

The COB maintains its demand for a minimum wage, which is a legitimate and firm claim that will allow those who live off wages to overcome the current economic siuation, the document asserts.

Meanwhile, the COB has received reports that several companies and institutions in various parts of the country do not respect the decrees regulating salaries, thus seriously affecting the economy of the workers. The COB is therefore issuing a warning that strong measures will be taken in defense of the workers and against those who do not comply with or respect the law.

LECHIN PLEDGES TO DEFEND DEMOCRATIC GOVERNMENT

PY182143 Paris AFP in Spanish 0101 GMT 16 Dec 82

[Excerpts] La Paz, 15 Dec (AFP) -- In his speech opening the second congress of the departmental peasant federation Tupaj Katari, top labor leader Juan Lechin Oquendo said that should the threat of another coup d'etat appear, the workers will be the first to take to the streets to defend the democratic state.

Lechin Oquendo vehemently rejected the term "destabilizers" which certain government officials have hurled at "those of us workers who have exercised the freedom to criticize government errors."

The 70-year old workers leader spoke before a rally which gathered 12,000 peasant delegates. He said that the Bolivian Labor Federation (COB) "is supporting and will continue to support fair prices for agricultural products and the implementation of systems of education in the native Aymara and Quechua languages.

Jenaro Flores Santos, executive secretary of the Single Confederation of Bolivian Peasant Workers (CSUTCB) [Confederacion Sindical Unica de Trabajadores Campesinos de Bolivia], said that the large national sectors have won democratic freedoms and "we will be the ones to guard them through our actions."

Flores Santos added that an attempt is being made to bypass these freedoms and this democracy through a congressional conspiracy, clearly referring to the activities of the National Revolutionary Movement (MNR), led by Victor Paz Estenssoro, and the Nationalist Democratic Action (ADN) of Gen Hugo Banzer Suarez.

$160 MILLION IN SUGAR SOLD TO SOVIET UNION

PY212014 Rio de Janeiro JORNAL DO BRASIL in Portuguese 15 Dec 82 p 21

[Excerpts] The Sugar and Alcohol Institute -- IAA -- has signed with the Soviet Union a contract to export 500,000 tons of sugar that, according to IAA President Col Confucio Pamplona, "will yield no less than $160 million." If these figures are confirmed, these exports to the Soviet Union will total one fourth of the country's overall sugar exports this year, which amounted to $650 million. The contract with the Soviet Union was signed on 27 November and was kept secret until yesterday "in view of mutual interests," Pamplona stated. Market developments following the announcement, production planning, shipment and other details could be affected by the publication of the contract, he stated. The price for these sales will be based on the New York market prices 30 days before the shipment.

UK BANKS INCREASE LOAN TO $214 MILLION

PY212024 Sao Paulo FOLHA DE SAO PAULO in Portuguese 18 Dec 82 p 18

[Text] The four largest British commercial banks have decided to increase the amount they had agreed to lend to the Brazilian Government, after an initial $100 million loan promised last week. Yesterday, after Brazilian officials and the IMF reached an agreement, the banks decided to increase the loan to $214 million. This amount is still smaller than the $300 million initially asked for by the Brazilian Central Bank. The additional $114 million was supplied by the following banks: Lloyd's Bank International ($55 million), National Westminister Bank ($26 million), Midland Bank ($25 million) and Barclays Bank International ($8 million).

The Brazilian foreign debt is estimated by the Organization for Economic Development and Cooperation (OCDE) at $87 billion. Yesterday, FOLHA reported that the Brazilian foreign debt amounted to $97 billion, based on an AP report. Brazil's $87 billion debt is the world's largest.

NETTO SEES TRIP TO NEW YORK AS SUCCESS

PY220157 Brasilia Domestic Service in Portuguese 2200 GMT 21 Dec 82

[Excerpts] After a meeting with President Figueiredo, Planning Minister Delfim Netto told reporters that his feelings on returning from New York are very positive. He stated: I think we are going to get what we want. Everything worked smoothly. There will be no renegotiation at all. Everything has turned out as we said it would.

He denied that Brazil intends to pay only the interest on its foreign debt, and attributed comments in this regard to mistaken interpretations of the discussions held with foreign bankers and with the IMF. The truth is that no one knows how to read, the minister stated in view of the speculation aroused. He voiced assurances that in 1983 every bank will offer assistance for the Brazilian debt, and consequently, will grant loans to pay the installments, although the banks are not committed to this participation.

According to the planning minister, the program presented to the IMF will provide for the reduction of the current account deficit and the inflation rate, and for the Brazilian goal of correcting its fundamental structural problem, which is the foreign debt. In answer to the lack of confidence shown by businessmen in the chances of success for the program, Netto said that although businessmen may not believe in this program the credibility level is increasing.

The inflation rate must drop to 60 percent by the end of 1982. Netto also announced that public expenditures will in fact be reduced, as a way of reducing foreign expenditures.

Regarding the businessmen's criticism of the lack of a medium-term policy, the minister was categorical: That is nonsense. They do not know how to read either. There is a medium-term policy, and more than that, there is a long-term policy that is leading the Brazilian economy toward becoming a vigorous economy.

An increase in prices of petroleum byproducts must be maintained in 1983. The current salary policy must also be maintained. Netto denied possible changes in the salary readjustment policy, alhtough he confirmed changes as far as productivity is concerned. He did not give further details on these changes, however.

1983 BUDGET FEATURES CUTS IN SUBSIDIES

PY171827 Porto Alegre Radio Guaiba in Portuguese 0200 GMT 17 Dec 82

[Excerpt] One of the main items of the 1983 budget approved today by the National Monetary Council [CMN] deals with subsidies. All petroleum subsidies will be completely eliminated beginning next year. This means that fuel prices will increase. Wheat subsidies may also be eliminated.

The cruzeiro minidevaluation system will be maintained. The exchange rate will have an average increase of 1 percent higher than the monthly inflation rate and will no longer be linked to monetary adjustments.

Banks will have an overall expansion of 88.4 percent and the National Housing Bank of only 69.1 percent. Overall expansion of credit in 1983 will be 80 percent for the entire financial system, as opposed to 120 percent in 1982. Credit lines for the rural sector will increase from 4 trillion cruzeiros this year to 7.4 trillion next year, that is, an 87 percent increase.

Expected inflation in 1983 is 70 percent. The rural sector will have real expansion of resources of nearly 20 percent.

NAVY MINISTER SAYS ANTARCTIC BASE TO BE BUILT

PY202031 Rio de Janeiro JORNAL DO BRASIL in Portuguese 19 Dec 82 p 39

[Excerpt] Yesterday afternoon President Joao Figueiredo visited the polar ship Barao de Teffe. On this occasion Navy Minister Maximiano da Fonseca announced that in 1 year Brazil will start to build its first base at the South Pole to carry out thorough research on a region about which mankind knows little. Tomorrow the Barao de Teffe will leave with a Brazilian pioneer expedition, but will return immediately to avoid the cruel winter in that area. The minister explained that with an appropriate base the Brazilian scientists will be able to stay for an indefinite period of time in the area, carrying out more efficient research on polar resources and other phenomena such as meteorology and magnetism.

JUSTICE MINISTER PROPOSES DISTRICT VOTE AMENDMENT

PY220242 Rio de Janeiro LATIN AMERICA DAILY POST in English 21 Dec 82 p 1

[Text] Brasilia (DAILY POST) -- Brazilian Justice Minister Ibrahim Abi-Ackel said Monday he will present a constitutional amendment to Congress in January establishing a district voting system for the 1986 congressional elections. The system would substitute the present arrangement whereby voters choose candidates from party lists covering all of the Chamber of Deputies seats for an entire state.

The district system would divide the country into 479 separate voting divisions, one for each congressional seat.

Contemporary political science research indicates that a district system tends to favor development of two-party politics, whereas a proportional representational scheme, such as the one used in Brazil's 1982 election, usually leads to multipartisanship.

Abi-Ackel said he would present his ministry's proposal to the leaders of all five of Brazil's current political parties before the end of the year. "The proposal is almost ready," he declared, "the only problem is determining the manner in which we draw the districts."

PAPER SCORES FIGUEIREDO'S RELATIONS WITH PRESS

PY150149 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 12 Dec 82 p 3

[From the "Notes and Information" page: "Absurd Incompatibility"]

[Excerpts] President Joao Figueiredo's relations with the press have reached an absurd level of deterioration, a point of no return [given in English] that no one believed could ever happen. This situation is all the more incredible if one considers the causes for this incompatibility: minor incidents with reporters who sought to approach the president whenever they could to ask him questions they could not ask in press conferences, since the president does not hold them; the harsh, impolite treatement President Figueiredo accords to journalists in general (and to some reporters of this newspaper in particular); an atmosphere of tension stemming exclusively from the president's emotional, impulsive, "short-tempered" manners, which never provoked aggressive reactions from the journalists, who always addressed the president with politeness and respect, despite being insulted by him and/or attacked and mistreated by his security men.

In fact, there have been no discordant voices in the press concerning the decisive role Joao Figueiredo has played in the country's democratization process -- especially in the recent, great, successful stage marked by the free 15 November election. Even now, at the peak of the presidential animosity and harshness against reporters, the press in general has not spared laudatory comment about the democratic tone and style that marked the president's speech at the year-end luncheon given at the army club. Why then consider proper journalistic questions of public interest as personal offenses and insults? Why does the chief of state adopt a defensive position or rather an aggressive position against those who do not seek to attack him but to inform the public?

This is really the worst time for the president's unjustified irritation, a time when the public faces the greatest of all economic perplexities which is that of seeing the nation inevitably slip into insolvency. This situaion will require great sacrifice from all Brazilian citizens. This is precisely a serious moment in which the people should be informed, given clarifications and answers to their doubts and concerns about the immediate future so that they may at least be reassured by the calmness of spirit of he who from the highest echelon of power leads the future of society.

COLUMNIST ADVOCATES LEGALIZATION OF PCB

PY182200 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Dec 82 p 3

[From the "Notes and Information" page]

[Text] The recent action undertaken by the Federal Police, which resulted in the detention of several Brazilian Communist Party [PCB] members at the Novos Rumos publishing house located on D. Jose Gaspar Square, has raised some issues which we should take into account, namely, the legality and timeliness of the measure and the status of the outlawed PCB.

It seems out of the question that the operation has conformed to the law, since the PCB is an illegal organization, banned by the Constitution. Concerning the action's timing, however, the Federal Police could have resorted to a far simpler measure in order to prevent the congress (or "seminar," as it was described by the arrested Communist Party members) from being held, since they had complete information on the meeting and, therefore, action could have been taken before it started. Thus being aware of the congress date, place and, most probably, the names of the persons who were to hold it, police could have taken action earlier to prevent the meeting from being held and without having to detain people, since the undeniable political implication of the detentions will tend to elicit a political response that will be self-defeating in the current Brazilian situation.

Fine. Let us now reflect on the PCB's current situation or status; it seems beyond all doubt that the PCB's political force, if any, stems from its "mystique" linked to its underground position and to the possibility that it could infiltrate legally established parties. Were the PCB witin the law, that is, were it not an underground party and had it not enjoyed the "mystery" of its underground position, with which it has long seemed comfortable -- far from any direct electoral contest -- it would have had neither "mystical" power nor opportunities for infiltration. It could then be realized -- as the saying goes -- that what looks like a monster is barely a dwarf when seen in the light of the day.

Indeed, we think that this image of chronic atrophy appropriately depicts that stagnant and decrepit political-ideological sect which, since olden times, has been so remarkably outside Brazilian reality. Those old men who were arrested and shown on television are proof that the PCB leadership has not changed in decades.

If the PCB were granted legal status, we can imagine that the first political effect would be a violent dispute over acronyms with its adversary, the PC do B [Communist Party of Brazil]; a healthy "return of the infiltrated" into other parties would certainly follow, allowing a perfect identification of "who is who" in terms of ideology -- although this may imply that the SNI [National Intelligence Service] will lose part of its job. Finally, once a "single party" (or, otherwise, the two opposing communist parties) has been legally established, ballot boxes will allow an evaluation of their electoral support which, according to the most optimistic forecasts, may reach 3 percent.

However, there is an unquestionable principle here, which applies to government systems that are ready to become genuinely representative democracies. This principle refers to the right of all ideological or doctrinal movements to run a legally established party. The Communist Party, one of those movements, has been allowed to organize political parties in most contemporary democracies, and even in the most important one -- the United States.

The argument that the communist ideology is an essentially antidemocratic and single-party doctrine -- as it actually is -- should not be used to deprive the communist movement of its right to run a party, because a democracy must also encompass and absorb antidemocratic minorities. Instead of being afraid of them, democracy grants them representativity, because one of the specific features of democracy is that it is bound to run a risk. True democracies are always running risks: They bet on the strength of their institutions against opposing convictions. This is how democracy has survived throughout the years.

BRIEFS

NEW ANTIMISSILE CANNON -- Adm Jose Albano de Aratanha, chief of the navy staff, told O GLOBO that the navy has mastered, through research, the technology for the production of the first Brazilian antimissile cannon and has already secured an international patent for the weapon. The cannon, which will be produced by a local enterprise, will be more effective and faster than those used by leading military powers. [Rio de Janeiro O GLOBO in Portuguese 13 Dec 82 p 1 PY]

BISHOPS ISSUE LETTER ON COUNTRY'S SITUATION

PY212145 Buenos Aires LATIN in Spanish 2242 GMT 20 Dec 82

[Text] Santiago, 20 Dec (LATIN-REUTER) -- The Catholic Church today said that Chile's current situation is extremely serious and indicated that a solution was tied to respect for human dignity, recognition of the value of labor and a return to full democracy. This assertion was part of a letter that Chilean bishops sent to all Catholics at the end of a meeting held last week. The letter, entitled Chile's Rebirth, stated that having exhausted private efforts and fearing that events may take a violent path, we are compelled to issue a word of warning and hope.

Within the extremely serious current situation the bishops separated the crisis into economic, social, institutional and moral areas and proposed a Christian solution. They said that the economic crisis is the most obvious one and no one denies it: high unemployment, decline in production, destruction of many job sources, reduction of real salaries, high interest rates, excessive foreign debt and low investment rates.

The letter -- which the president of the episcopal conference, Msgr Juan Manuel Santos, delivered to the press -- pointed out that the economic crisis is accompanied by a severe social crisis whose signs are growing misery, violence, lack of confidence and fear. Intermediate autonomous organizations have been destroyed or splintered and the news media are restricted by censorship, the letter said.

Speaking about the institutional crisis, the letter noted that overall participation in the quest for the common good is a basic principle of the church's social doctrine, but unfortunately the downfall of democratic structures have left most Chileans unable to participate. It added that the Constitution approved by plebiscite in 1980, which provides the basis for President Augusto Pinochet's government, is not complied with as far as full respect for human rights goes, partially because of certain transitory articles.

The letter described the moral crisis as the worst of all and the cause of the other crises by stating that the essential values of Christianity have been lost. It noted that the outrages against human dignity, illegal harassment of certain prisoners, exile, unbridled economic liberalism, speculation that has taken the place of honest work, and squandering of wealth side by side with misery, confirm this loss of values.

The letter added that a peaceful solution to the situation is made more difficult because there are those who seek the solution in Marxism. Others keep their hate burning and await the time to take revenge, while still others choose the way of violence.

The bishops said that in view of this situation they want to participate in the quest for a constructive solution while there is still time. However, they tied Chile's rebirth to the respect for human dignity, recognition of the value of labor, and the return to full democracy. They said that each Chilean is irreplaceable and his life, his freedom and his opinion deserve respect even if he does not share our opinions.

As to the value of labor, they said that the human factor of the economy should be the main target of every economic policy and added that there must be work for all and salaries must be fair.

Regarding the return to full democracy, the bishops said that the outrages that may have been committed before (the armed forces took over the government in 1973) do not justify such a lengthy disruption of the nation's normalcy.

They added that it is urgent to open the channels for political participation before the rising level of tensions unleashes a possible tragedy.

The bishops concluded by saying that despite all the negative signs we ask you to have hope. They added that we Chileans are capable of forgiving each other and building a nation of brothers on the basis of Christian principles.

Government Reacts

PY220227 Santiago Domestic Service in Spanish 2200 GMT 21 Dec 82

[Relay from Government House by Graciela Contreras]

[Text] A few minutes ago the secretary general of the government read the following statement at La Moneda Palace:

The Government General Secretariat has learned about a letter addressed to Catholics entitled Chile's Rebirth, which points out various possibilities for the current socioeconomic and political situation in the country and which was issued for publication by Msgr Jose Manuel Santos, president of the episcopal conference.

The government, in compliance with its specified duties, is fully aware of and confronting with realism and full devotion the problems which the episcopal conference saw fit to bring to the public opinion's attention. The efforts being made to find the most prompt and efficient solution to current problems, especially those of an economic and social nature and even more so those which affect the most needy sectors, are well-known and obvious.

The statement then points out that it is appropriate to point out that the state's National Constitution, which was approved through a plebiscite by almost 2/3 of the voters, most of whom are Catholics, clearly establishes the conditions and deadlines which the government must fulfill in order to make effective the establishment in the country of new democratic institutions as provided for by the Constitution itself. There is no need to alter a process which the Chilean people themselves -- faithful to their democratic ideals -- have ratified in a determined, free and sovereign manner.

Further on the statement read by the secretary general of government states that because of the constructive spirit which has always inspired the supreme government's actions, the government has been willing, and will continue to be so, to listen to the concerns of the various national sectors in order to join efforts for the greatness of Chile and seek the consolidation of national unity.

BRIEFS

JAPANESE LOAN -- National Electric Power, Inc., yesterday signed a $190-million loan agreement with a Japanese firm and with Japanese banks to build a 500,000-kilowatt high-tension line between the Colbun-Machicura hydroelectirc plant and Santiago. The plant, which is currently being built on the Maule River, will start operating in 1985. The high-tension line, which will be made up of two 500,000-watt circuits, will be built between Colbun and Alto Jahuel. The work will be carried out jointly between the Japanese firm Marubeni and the Chilean firm Sigdo Kopers. [Santiago EL MERCURIO in Spanish 7 Dec 82 p C 1 PY]

TRADE, INTERNATIONAL RESERVES FIGURES -- The Central Bank reports that exports totaled $3,449,000,000 and imports amounted to $3,331,000,000 during January-November 1982. Similarly, the Central Bank reports that international reserves totaled $2,371,000,000 and that the balance of payments had a deficit of $1,334,000,000 during January-November 1982. [Santiago Domestic Service in Spanish 2200 GMT 10 Dec 82 PY]

GOVERNMENT ORDERS 'ECONOMIC EMERGENCY'

PA211519 Paris AFP in Spanish 1441 GMT 21 Dec 82

[Text] Bogota, 21 Dec (AFP) -- The government of conservative President Belisario Betancur today ordered a 50-day [as received] state of "economic emergency," an official source has announced in Bogota. This is the second time since coming to office on 7 August that the Betancur administration has resorted to a measure of this type. The first time was on 8 October, when it wanted to put an end to a number of serious financial problems and to nationalize the state's bank. On that occasion the measure was in effect for a period of 24 hours.

The "economic emergency" will not be used to implement tax reform. It will mainly be used to decree a so-called "patrimonial amnesty." This patrimonial amnesty will make it possible to solve the tax-evasion phenomenon that has serously affected the national finances. Under the Colombian Constitution, economic-emergency periods cannot last longer than 90 days.

GOVERNMENT ISSUES DECREE LIMITING BANK LOANS

PA220325 Bogota Domestic Service in Spanish 1730 GMT 21 Dec 82

[Excerpt] Bogota -- The government decided today that no financial institution that customarily handles, uses or invests large amounts of public funds can lend more than 7 percent of its paid capital and patrimonial reserves [reservas patrimoniales], directly or indirectly, to any person or company. However, when debts to the institution above this amount are backed by real collateral securities, the loans can be extended up to 15 percent of the paid capital and the patrimonial reserves, as long as the property used for collateral has a commercial value that surpasses the amount secured by at least 50 percent.

This measure was adopted through Decree No 3663, issued today and signed by President Belisario Betancur and Finance Minister Edgar Gutierrez Castro.

The decree explains that savings and loan institutions will be exempt from the limit established by this decree. In this case, the total loans used for construction purposes granted by a savings and loan association to any person or company cannot amount to more than 5 percent of the total of its paid capital and its reserve, both of them unencumbered, and its obligations to the public.

Article 5 notes that credit operations for development purposes carried out for medium and long terms with either foreign or domestic resources will be exempted from this prohibition. These operations will remain subject to the legal limitations and rules that currently control them.

BRIEFS

AGREEMENT WITH PANAMA -- President Belisario Betancur has signed Law No 45 of 1982, approving a 7 May 1981 agreement on technical/scientific cooperation with Panama. The 5-year agreement contains provisions for specific cooperation programs, to be drafted by a joint commission, that will include the exchange of specialists, scientists, information, documents and experiences; the reciprocal use of equipment and installations; the preparation and implementation of technical projects; and the provision of scholarships for professionals and technicians. [Bogota Domestic Service in Spanish 1730 GMT 20 Dec 82 PA]

MINISTER VIEWS ANTISUBVERSIVE MEASURES

PA161635 Quito Voz de los Andes in Spanish 1130 GMT 16 Dec 82

[Text] It is unacceptable for our country to be used as a route for subversives of the M-19 [19 April Movement], Government Minister Galo Garcia Feraud has said, in confirming the effort of the Colombian and Ecuadorean Armies to keep these individuals from entering our territory.

[Begin Garcia Feraud recording] I understand that neither the Colombian Government nor its embassy have any more information than the media. But this [not further explained] alarms me. It shows that there are connections and that, although reproachable activities have not become routine in our country, at the very least it is unacceptable for our country to be used as a route of passage or for a province of the Amazon region to be used for this purpose. [end recording]

Regarding the measures to be taken at the border, the government minister said:

[Begin recording] [Garcia Feraud] The Ecuadorean Immigration Police naturally have precise instructions to strictly (?implement), without undertaking extreme actions which might at some time lead to abuses. In no way can we accept abuses anywhere. Nevertheless, we must be aware that there are risks. We have been and are a country which has a high degree of domestic security, and that is a valuable asset of Ecuadorean society. Therefore, we authorities are dutybound to act with energy, and the police with all the rectitude and efficiency necessary, to defend that social asset. As a result we cannot get involved in dialectical, legalistic or juridical facades. We must view the law, legality, with the proper sense of proportion and not give its formal appearance values which it does not really have. We have to defend Ecuadorean society. Individuals have the right to movement and to immigration, but there is a greater interest -- social interest.

[Question] Can it be ruled out that these extremists have connections with some political movements in the interior?

[Answer] We haven't reached a conclusion about this, but world political currents have been influential not only in the 20th century -- when the interdependence of peoples is a sign of our times -- but also in previous centuries. I think the terrorist family has some common aspects which make some aid others. [end recording]

BRIEFS

CEPE BUDGET -- Through an executive decree dated 10 December, the Ecuadorean president has approved the budget of the Ecuadorean State Petroleum Corporation, CEPE, and the operating account for the supply of hydrocarbons for the 1982 fiscal year. The CEPE budget totals 21,090,500,000 sucres, and the operating account totals 10,570,700,000. The budget approved by the CEPE board of directors was submitted in May before the national government decreed the monetary devaluation. As a result of the devaluation, the original budget estimated at 20,195,700,000 sucres had to be readjusted to 21,090,500,000, which is the amount approved by the executive branch. This is the reason why the budget for the year that is ending is being issued this month. [Quito Voz de los Andes in Spanish 1130 GMT 16 Dec 82 PA]

LAINO'S EXPULSION CAUSES ADDITIONAL PROTEST

Senate Row

PY201959 Asuncion ABC COLOR in Spanish 18 Dec 82 p 11

[Text] The tranquil senate chamber nearly became the site of an amazing verbal battle when Senator Gonzalez Alsina, in response to a protest made by Liberal Senator Augusto Caceres Carisimo over Domingo Laino's expulsion from the country, accused the opposition leader, in a loud voice and visibly upset, of being a "crook," a "drunkard" and other similar epithets. Senator Gonzalez Alsina made these accusations while attempting to justify the executive branch's measure expelling the leader of the Authentic Radical Liberal Party [PLRA] for writing a book entitled "El General Comerciante" ["The Merchant General"] (Somoza).

Dr. Juan R. Chaves, the Senate president, intervened, ringing his bell at the precise moment when Gonzalez Alsina and Caceres Carisimo -- especially Gonzalez Alsina -- began to heatedly insult each other. Chaves' intervention was aimed at preventing the situation from getting out of control.

Everything began when Senator Caceres Carisimo stated that the executive branch in the person of the president of the republic had committed another crime against Dr. Domingo Laino and his interests. Caceres Carisimo recalled that in bygone days the expulsion measure was a debasing punishment implemented only on specific occasions. "Today," he said, "it is a decoration bestowed upon those citizens who are brave enough to stand up to the dictatorial regime." Caceres Carisimo added that Laino was exiled and sent away from his homeland and his family merely for exercising his right to express his views "on Somoza's shameful personality." "Laino did not violate any Paraguayan law except for the law of silence imposed by the dictatorship. For this reason, I express my full solidarity with Laino," Caceres Carisimo added.

Gonzalez Alsina asked permission to rebut Caceres Carisimo. He said that judging from Caceres Carisimo's statement, it seemed that he had come "in good shape," obviously suggesting that Caceres Carisimo is not in the habit of coming to the sessions sober. Gonzalez Alsina said that Caceres Carisimo's comments were spiteful, like the reported comments of some of the deputies last night in the Chamber of Deputies. Gonzalez Alsina added that these persons will not be reelected to occupy congressional seats for the next legislative period because they do not even belong to their party any more. "These persons are what we call crooks," Gonzalez Alsina said raising his voice more and more, repeating the word "crook" and pointing his finger at Caceres Carisimo. Gonzalez Alsina was visibly beside himself and almost on the brink of hysteria. "You are the crook," Caceres replied. On being charged with being a "drunkard," Caceres Carisimo reportedly replied "that makes two of us," according to a page who was close by. Dr Chaves' bell once again restored order to the session. Gonzalez Alsina then went on to say that instead of imprisoning Laino pursuant to Article 79 of the Constitution for offending the national emblems of a country with which Paraguay has good relations (the United States), he was given the opportunity to be free abroad.

Liberal Workers Communique

PY202026 Asuncion ULTIMA HORA in Spanish 18 Dec 82 p 13

[Text] The workers movement of the Authentic Radical Liberal Party (PLRA) has issued a communique in which it criticizes "the arbitrary expulsion of Domingo Laino, vice president of our party." The document continues to state that "before the nation we voice our energic protest against such a measure, which violates the basic right of all Paraguayans, regardless of their ideologies and social class, to live in the land in which they were born."

The PLRA workers state that "by expelling Laino the government once again reveals its antipopular nature; but despite the temporary absence of our vice president we are fully convinced that he will continue in the hearts of the PLRA workers because he has interpreted the aspirations of the entire Paraguayan working class."

The document ends by stating that "the government's abuse of power fully justified our leaders' decision not to participate in the political process and commits us to support the rejection of the electoral farce and to support work to achieve the return to the country of all those living in exile by reason of their political and labor union affiliation."

The document is signed by Bonifacio Vargas, Catalino Fleitas, Liborio Cabrera, Eugenio Vargas Medina and Jorge Herrera.

The PLRA leadership, headed by Juan Manuel Benitez Florentin, maintains an unyielding nonparticipatory attitude.

The basic argument of the leadership of this branch of liberalism is that "Laino's expulsion, the holding of political prisoners in police department prisons and a series of arbitrary measures sponsored by the Colorado Party regime fully justify the decision not to take part in the February elections."

Febreristas Communique

PY201528 Asuncion HOY in Spanish 18 Dec 82 p 7

[Text] The National Executive Committee of the Febrerista Revolutionary Party [PRF] has issued a communique in connection with the expulsion from the country of Dr Domingo Laino, second vice president of the Authentic Radical Liberal Party. Here is the text of the communique: "In view of the events which occurred in connection with Dr Domingo Laino's expulsion from the country by police officers; considering that Dr Laino is the author of a book which could not be issued because it was seized by officers of the same institution -- an action which is a serious violation of constitutional guarantees and a regrettable measure against the free circulation of books and information about distinguished persons, whose behavior should be allowed to be criticized and judged by their own party or by the opposition -- and considering that expulsion is involved, a measure that can only be adopted by a court and never imposed by any police authority, the PRF National Executive Committee hereby resolves:

To repudiate the book seizures conducted by the police and the expulsion from the country of Dr Laino, who is an honest citizen and a staunch supporter of freedom and democracy in the country; to state to the public as a protest that the expulsion measure, which is authorized neither by the Constitution nor by the laws, must be ordered exclusively by a court.

PRESIDENT DENOUNCES WEAPONS-DRUG BARTER

PY211933 Lima EL COMERCIO in Spanish 16 Dec 82 p 1

[Excerpt] President Fernando Belaunde reported yesterday that there exists an international barter of weapons for drugs through the borders of the country or even in airports.

"They are murderous weapons intended to threaten or to decimate the good citizens, the forces of order and the officials and dignitaries elected by the people." the president stated.

He made these remarks during a ceremony marking the closing of the academic year at the National Training Center of the Peruvian Investigations Police.

The president ordered, therefore, a doubling of efforts to fight against drug trafficking, the activity which is in fact related to the clandestine smuggling of weapons earmarked for the seditious groups operating especially in the Department of Ayacucho.

He cited the latest example of Ayacucho Mayor Jorge Jauregui Mejia, "who, we are sure, was the victim of one of these weapons brought here through that infamous international barter we have verified."

President Belaunde Terry demanded, therefore, an all out battle and unwavering confrontation against these criminal groups "to restore the peace which the country needs."

Reports Helicopters Purchase

PY212155 Lima EL COMERCIO in Spanish 17 Dec 82 p 1

[Excerpt] After lashing out again at the agents of terrorism, especially those who sometime in the past "had abused their professor's chair to corrupt the youth," President Fernando Belaunde announced the imminent acquisition of a fleet of helicopters for the civil guard.

He said that "we will not allow the criminals, such as drug traffickers, to have better communication means than those used by the forces of order." This fleet, which will demand an extra tax effort, will be under the control of the air force, but will belong to the civil guards. It will facilitate the rapid deployment of civil guards to wherever they are needed.

President Belaunde made these remarks yesterday on closing the academic year at the civil guard training center.

PRIME MINISTER DESIGNATE ON RELATIONS WITH U.S.

PY212020 Lima EL COMERCIO in Spanish 16 Dec 82 p 1

[Excerpt] Washington, 14 Dec (EFE) -- Prime Minister Designate Fernando Schwalb said that the current level of Peruvian-U.S. relations is normal.

He added that President Fernando Belaunde's trip to the United States was suspended at a difficult moment as a consequence of "lack of understanding" shown by the United States toward an economic proposal that Peru had made.

Schwalb said that Peru did not try to interfere with domestic U.S. laws but merely *sought more flexibility and understanding. Belaunde suspended his trip to Washington* during the first week of November because this visit to the U.S. capital would coincide with the enactment of restrictions of Peruvian textile exports.

Schwalb said that the United States understood the situation and the reasons for the president's decision.

He called for more flexibility in the protectionistic position of the United States and other industrialized nations toward imports of goods and raw materials from developing nations.

He said that if inflexible stands showing the vulnerability of the less developed nations and their dependency were maintained, tension in economic relations would increase.

Schwalb added that the debtor countries would be unable to pay their foreign obligations because of the difficulty in obtaining hard currency and their stability, especially that of democratic regimes, would be jeopardized by the proliferation of social conflicts.

SCHWALB PROMISES BROAD ANTITERRORIST OFFENSIVE

PY212018 Lima EL COMERCIO in Spanish 16 Dec 82 p 1

[Text] Washington, 15 Dec (EFE) -- Fernando Schwalb, the incoming Peruvian prime minister, told EFE in Washington that the new cabinet team that will work together with President Fernando Belaunde will launch a broad police-military offensive against the terrorist group Shining Path.

Schwalb, who is still carrying out his duties as Peruvian ambassador in Washington, said the coordination of this struggle will be in the hands of the Interior Ministry and will have the support of the armed forces.

He added: "We are hoping to use a new and effective strategy, which will allow us to put subversion under control shortly."

The terrorist group Shining Path is operating in Ayacucho Department, southeast of Lima. Its blows have considerably harmed the Peruvian economy.

Fernando Schwalb was appointed prime minister and foreign minister following Manuel Ulloa's resignation. Speaking to EFE he said that within the constitutional regime, those subversives who are captured will be brought to court and tried in keeping with the provisions of the laws in effect. Schwalb hopes to return to Lima on 26 December this year.

He justified the future involvement of the military in the operations against Shining Path because "the subversives have expanded their area of operations."

He said that the Peruvian Armed Forces will provide logistic support and will strengthen their intelligence operations. "When one is struggling against guerrillas, sometimes one does not know who the enemy is," the ambassador said, meaning that it is possible that some members of Shining Path could go underground and lead ordinary lives without leaving a trace.

Speaking of the new offensive, Schwalb said that the operations would be conducted carefully to preclude arbitrary actions capable of harming innocent people.

CONGRESS APPROVES DRAFT BUDGET FOR 1983

PY212306 Lima EL COMERCIO in Spanish 15 Dec 82 p 1

[Text] At midnight last night, on the deadline established by the Constitution (15 December) Congress approved the public sector's draft budget for 1983, which amounts to 5,166,508,000,000 soles. The 198-article draft, which will come into force on 1 January 1983, was passed after long and exhausting debate which started on Saturday and extended through the weekend in afternoon sessions that ended last at night.

The approved budget estimates that the government's income will be made up as follows: Treasury Department (4,214,200,000,000 soles), other sources (41,254,000,000 soles), foreign loans (204,000,000,000 soles) and sales (707,054,000,000 soles). The approved budget is asutere, balanced and realistic, members of the congressional committee which evaluated the draft said. The approved draft also authorizes the executive branch to negotiate loans for the continuation of the Majes and Chavimochiv irrigation projects for the Copesco [expansion unknown] plan, for the reactivation of Siderperu [Peruvian State Iron and Steel Enterprise] and for equipping the police.

PRESIDENT BELAUNDE APPOINTS NEW ECONOMY MINISTER

PY192306 Buenos Aires LATIN in Spanish 2254 GMT 19 Dec 82

[Excerpt] Lima, 19 Dec (LATIN-REUTER) -- Today President Fernando Belaunde Terry anounced that banker Carlos Rodriguez Pastor will be the new Peruvian economy minister. Pastor, who currently is director of the Latin American Department of the U.S. Wells Fargo Bank, will replace former Minister Manuel Ulloa who resigned 10 days ago.

POLICE DISCOVER TERRORIST PLAN FOR LIMA

PY211927 Lima EXPRESSO in Spanish 6 Dec 82 p 4

[Excerpt] The investigations police have discovered plans for a terrorist escalation aimed at causing chaos and confusion in Lima by launching incendiary bomb and dynamite attacks against government buildings, private enterprises and utility companies.

Personnel from the antiterrorist division [division contra el terrorismo], Discote, and from state security agencies are studying what may be a terrorist plan identified by the name of "Operation Santa Claus." This plan was reportedly drafted by members of a so-called "political-military command" of the "Shining Path" group.

Details of this operation are included in a document found in the home of one of the suspects involved in the dynamite attack perpetrated against an electricity tower last Friday. This document also includes a map of Lima divided in four "political-military commands." These commands are: "The Metropolitan Committee," the "Southern Cone Committee," the "Northern Cone Committee" and the "Eastern Cone Committee."

According to police sources each of these commands is in turn subdivided in three groups identified as the "political commandos," the "operations commandos" and the "military cell."

In keeping with this plan, several terrorist "military cells" reportedly began to mobilize last Friday so that "Operation Santa Claus" would coincide with the birthday of terrorist leader Abimael Guzman.

One of the terrorist groups, made up of about 50 persons, lit a gigantic bonfire outlining a hammer and sickle on San Cristobal hill, while another three groups, each of which was made up about six persons, acting simultaneously blew up light poles in San Juan Cajamarquila and Nana.

COLUMNIST DISCOUNTS CUBAN TIES TO SHINING PATH

PY212207 Lima EXPRESO in Spanish 11 Dec 82 p 2

[From the "Voice and Vote" column by Manuel d'Ornellas]

[Text] Why did Fidel Castro make it clear that Cuba had no connections with Shining Path?

Taking advantage of Victor Andres Garcia Belaunde and Ernesto Gamarra's -- officials of the current Peruvian regime -- visit to Havana, Fidel Castro has just stated that the Cuban Government has no connection with the terrorist group Shining Path nor does it support its violent actions.

With this statement Castro has denied links with various of our misguided terrorist groups and at the same time has stressed his identity with the Soviet Union. For the Soviet Union -- and consequently for its Cuban satellite -- it is dangerous for a Marxist group, with Maoist roots, to become increasingly strong in Peru, a country which -- among other things -- is the USSR's main link with South America.

In other words, the Soviet Union has a lot to win from a good relationship with us and a lot to lose if it is stained by the suspicion that Cuba supports Shining Path. The sale of arms and trade exchange, fishing within our 200 mile territorial sea and Aeroflot's flights to Peru could all go down the drain if a hint of connection between Shining Path and Havana, which in the end would imply an indirect connection with Moscow, is found.

With this statement made to the secretary of the Council of Ministers and a member of the Popular Action Party, Castro has once again revealed himself to be the diligent emissary of the Soviet Union.

Is Fidel Castro being sincere?

It is difficult, not to say impossible, to know whether the Cuban leader is being sincere. Although he obeys Moscow, Fidel Castro does not cease to carry out his own adventures, when he feels like it, as in the case of Africa.

Therefore, it is quite possible that Cuba itself is supporting Shining Path, especially taking into account the old relationship -- which was terminated -- between Abimael Guzman and Castroism, a link U.S. Professor David Scott Palmer testified to.

However, the fierceness of the ideological struggle between Marxists -- especially that between the Maoist and the Moscow lines -- and the influence of the Soviet apparatus on the Havana regime make such a possibility doubtful. Therefore, there are reasons to objectively believe in the truth of Fidel Castro's denial of links with the Shining Path.

Does Shining Path have foreign mentors?

One of the most frequent accusations which the government makes against Shining Path is that it receives foreign support. These charges have even been made by President Belaunde. However, everything indicates that Shining Path is essentially home grown with few or no connections abroad. Of course, if it does receive any support from the Middle East terrorist groups, it is probably only insignificant and received on rare occasions.

The governor should realize that Shining Path is a native phenomena and therefore twice as dangerous. It intends to convert our mountain slopes into nothing less than the center of the world revolution which was betrayed -- according to its leaders -- in China as of Mao's death. This is the reason for its activities and the attraction it has for some people.

TERRORISTS SHOOT FORMER POLICEMAN, 'INFORMER'

PY202306 Paris AFP in Spanish 1428 GMT 15 Dec 82

[Text] Lima, 15 Dec (AFP) -- It was disclosed here today that one policeman and one civilian died during terrorist actions in Ayacucho, while three high tension towers were blown up in Pucapampa, Huancavelica, in southern Peru, leaving several towns without electricity. Policeman Julian Chaparro Melgarejo, who was taken by surprise while travelling by bus with a colleague from Cangallo to Ayacucho, was shot to death by terrorists with submachine guns who held up the bus and charged that he was responsible for abuses. The other policeman and remaining passengers were allowed to continue their trip.

According to a newspaper Chaparro, a former civilian guard who participated actively with the extremist group Shining Path, was arrested in Cangallo and after having revealed the location of the group's general headquarters, was being taken to Ayacucho. He was murdered on the way there. Based on information provided by Chaparro 120 heavily armed members of the police force yesterday left from Ayacucho to launch the first frontal assault on the terrorist group's headquarters, which was located on the Occanaya farm.

A civilian, whose identity was not revealed, charged with being a police informer, was murdered at Huatatas Pass, 8 km from Ayacucho. Yesterday, in the same city, a warehouse belonging to the Nicoline Enterprise -- which processes food -- was set on fire, causing serious damage.

In Pucapamba, Huancavelica, 522 kms southeast of Lima, three high tension towers of the Mantaro-Pisco hydroelectric plant, 239 kms south of this capital, were dynamited by alleged terrorists, leaving several towns in the area without electricity.

TERRORISTS ROB CHIMBOTE BANK 3 KILLED

PY181936 Paris AFP in Spanish 2321 GMT 16 Dec 82

[Text] Lima, 16 Dec (AFP) -- It was reported today from Chimbote that three policemen were killed during a bank holdup in that port, the second largest in Peru, 450 km north of Lima. Meanwhile, it was learned that two former soldiers were detained today in Ayacucho, southeast of Lima, on the charge of collaborating with extremists. Charges of collaboration have also been made against an attorney of that department who will be brought to this capital tomorrow, Friday. It was also reported that incendiary bombs were thrown last night at the home of Victor Jauregui, mayor of the capital of Ayacucho Department, who was seriously injured last Saturday during a terrorist attack and is recovering here in Lima.

COMMERCE SECRETARIAT ALLOWS EXPORT OF CURRENCY

PA220418 Mexico City International Service in Spanish 0200 GMT 22 Dec 82

[Text] The Commerce Secretariat announced today that the free export of local and foreign currency will be authorized as of tomorrow. In the first of two decrees published in the official paper, the secretariat establishes that bills issued both by the Bank of Mexico and by foreign banks will be exempted from the export permit needed to send them out of the country.

The free export of foreign exchange will become effective tomorrow, the decree noted.

In another decree published in the official paper today, the Commerce Secretariat established a list of more than 450 items that can be imported by using foreign exchange acquired at the controlled exchange rate.

In addition, the export of merchandise, jewels and precious metals, the value of which does not exceed 200,000 pesos, is exempted from the controlled market.

These clauses include luggage, travel and personal accessories of [words indistinct] foreigners, as well as ambassadors, plenipotentiary ministers, [word indistinct] or charge d'affaires at diplomatic missions in Mexico. [30-second break in transmission] with a net content of up to 200 grams of gold or 5 kg of silver, the decree concluded.

The new exchange regulations prompted various reactions today [30-second break in transmission] (Luis Maltiza Saradrid), director of the fund for the development of exports, said that the new exchange system guarantees the entry of foreign exchange and at the same time serves to eliminate the black market.

In referring to the decree that requires Mexican exporters to sell the foreign exchange that they receive to the nationalized banks, (Maltiza Rabadrid) said that this will encourage the inflow of dollars and will [words indistinct] the managers to [words indistinct].

Meanwhile, (Jose Maria Gantagoiche), president of the Mexican Managers Confederation, said that the new parity of the peso with the U.S. dollar has resulted in an increase in the debt of enterprises, which could prompt many of them to close.

[Name indistinct], president of the Confederation of the National Chambers of Commerce, said that the new exchange rates worries the managers who [words indistinct] in foreign currency.

SOUTH KOREA'S KIM SANG-HYOP ENDS VISIT, DEPARTS

FL211856 Mexico City NOTIMEX in Spanish 1825 GMT 21 Dec 82

[Excerpt] Mexico City, 21 Dec (NOTIMEX) -- South Korea's Prime Minister Kim Sang-hyop today departed for his country at the conclusion of a 4-day visit to Mexico. At Mexico City's international airport, he was seen off by the deputy director of the Foreign Secretariat's Protocol Office and officials of the South Korean Embassy in this capital. The prime minister, who arrived in the country last Saturday, met with President Miguel de la Madrid Hurtado and other Mexican officials for the purpose of strengthening the friendship ties between the two nations.

ARIAS CALDERON SAYS 'NO ONE BELIEVES' PAREDES

PA212253 Panama City LA PRENSA in Spanish 21 Dec 82 p 1

[Text] Christian Democrat leader Ricardo Arias Calderon has stressed that no member of the opposition is being investigated in relation to the squandering of 100 million balboas at the Social Security Institute; indeed, "all those who are being investigated are General Torrijos' relatives, General Paredes' friends, government officials and members of the Democratic Revolutionary Party, PRD."

Arias Calderon made this statement in an interview with local news media, which was never aired. The interview dealt with Gen. Ruben Dario Paredes' statement last 16 December in the city of Santiago.

LA PRENSA managed to get a copy of the recorded interview, the text of which follows:

Question: Dr Ricardo Arias Calderon, what comments do the Christian Democratic Party and its leaders have to make about the speech delivered by General Paredes today?

Answer: I really don't know who General Paredes was addressing, because the Panamanians no longer believe his story. No one believes that story that the problems of poverty and hunger in Panama will be solved with 40 tractors that were recently purchased, God knows from whom or for how much. What the Panamanians would really like to know is what happened to the 5 billion balboas that this government has had at its disposal, through loans, to solve the problems of hunger and poverty: 1 million per day. The Panamanians would like to know why there are between 110,000 and 120,000 unemployed people despite all of these millions. Above all else, the Panamanians want to know what happened to the 100 million balboas that were squandered at the Social Security Institute. No opponents to the government are being investigated in this scandal. Those who are being investigated are General Torrijos' relatives, General Paredes' friends, government officials and PRD members. Thus, we would like to know if these millions went into people's pockets instead of to the struggle against poverty and hunger.

I am afraid that General Paredes -- dressed in military attire and surrounded by officers and government officials -- is not aware of what the people are thinking. I would suggest that he go to the streets, dressed in civilian clothes like any other citizen, go to the supermarket with his wife, line up to pay for his purchases and listen to what the people are saying. I urge him to take a bus or a taxi and speak with the driver or to go to Balboa Boulevard [a Panamanian restaurant], sit down for a cup of coffee and speak to the other customers. He would then be made aware that no one believes his story. The Panamanians have decided that they want a big change, a change toward democracy, decency and hope in this country. There will not be enough jackboots in 1984 to face the votes that the opposition will receive.

Question: What is your opinion about the National Guard's decision to give up Article 2 of the Constitution, as announced by General Paredes?

Answer: I believe that this is the result of a struggle that the Democrats have been waging in this country to get the National Guard to assume a different role from that which it played before 1968, as well as from that which it is playing now. It would be a role in which the National Guard would accept, respect and obey the highest civilian authority selected by the people: the president. I think that this is one result of our struggle and that we will see even more results in our struggle for democracy.

CONEP PRESIDENT WORRIED OVER EXPROPRIATION POLICY

PA201650 Panama City LA PRENSA in Spanish 19 Dec 82 p 8A

[Letter from Dulcidio Gonzalez, president of the National Council of Private Enterprise, to Panamanian President Ricardo de la Espriella -- no date given]

[Text] Mr President:

Since you have assumed the responsibility of restoring the government's credibility so that the citizens can feel they live in a full democracy, I will take advantage and even abuse your decision, because I feel that the topic of expropriation is also part of that credibility.

On 28 November 1982, I received a letter from Manuel Jose Berrocal, president of the Panamanian Association of Property Owners, asking me, as president of the National Council of Private Enterprise, CONEP, to become interested in the topic of expropriations because a bilateral trade agreement in which this topic was included had been signed between Panama and the United States.

Mr President, if I have delayed in addressing this letter to you, it is due to the fact that I wished to have enough time to make certain considerations that would be pertinent to the subject brought up by Mr Berrocal, a topic that has worried him for a long time now.

Mr President, I believe that the subject of expropriation by the state should be viewed by the national leaders a bit more seriously than the treatment commonly accorded to such delicate and important matters as dispossession of personal goods since, at bottom, this is what happens: Expropriations are made for no good reason, in accordance with a "social" idea that in many cases is merely a rather unclear wish by some official who, protected by the immunity provided by some law, disrupts principles of natural law, creating fear, anxiety and insecurity among the citizens. The truth is that these days one does not know the full scope of the concept of social interests or how often that concept is invoked simply because of an ill-defined desire to obtain some benefit to the detriment of some individual or company that is alien or defenseless in the face of some petty measure.

It is not a matter of expropriating from someone because he has plenty. That is not a fair reason. Abidance by Marxist concepts when making this type of decision, will slowly but surely weaken the democratic system (a poor legacy for our future citizens).

I comment on this subject with the intention of stressing the government's need to achieve full credibility and to establish that expropriations will be made only for a fair reason, and that once made, the owner will be promptly compensated and the just value of his property will be recognized.

I think that our experience in negotiating the bilateral treaty with the United States, in negotiating the fourth clause, should have made us blush. The considerations made in connection with the expropriation and the retention of property, the insistence on and explanation of these points, clearly suggest a lack of faith in our legal system. I say this because in the course of this negotiation it was necessary to include a special article guaranteeing the transaction rules so that the expropriations would not turn into despoilment.

I think that if viewed merely from a legal standpoint, the way in which Mr Berrocal made his considerations would be fine. But I, Mr President, wish to go a bit further.

I would like to touch on the moral aspect, which should prevail. The method is what we need to correct. True, a just economic compensation is fine, but above all it is essential that the state not make us lose our faith in democratic institutions. In order not to lose this faith, the state should act honorably in the matter I am now discussing.

I also wish to insist vehemently that public official should respect citizens' rights, since democracy has been conceived so that the state can serve us and safeguard our lives and property. Constitutional violence to the detriment of the citizens is, therefore, inconceivable (John Stuart Mills, "Theory of Freedom").

Once again forgive the fact that I have passed on to you the subject that Mr Berrocal brought to my attention. I have done this because I am sure that a just man like you will heed the echo of the many voices currently demanding a solution to the problem of despoilment.

Sincerely yours, [signed] CONEP

Dulcidio Gonzalez, president

CANAL BRIDGE CONTRACT TO BE REVOKED

PA201835 Panama City LA PRENSA in Spanish 17 Dec 82 p 1

[Article by Wilfi Jimenez and Jose Quintero de Leon]

[Text] Official sources who asked not to be identified have told LA PRENSA that the government has decided to revoke -- possibly before the end of the year -- its contract with the Van Dam-Sosa y Barbero consortium for the construction of the new bridge over the canal.

The sources said that the government will heed the recommendation of the National Financial Commission which, after reviewing the present contract, finds it too disadvantageous to our country, since the project will cost some $125 million more than the $100 million that was initially estimated.

In addition, the Venezuelan Government, through the Central Bank, has expressed its concern over the delay in initiating the project and the "drawn-out manner in which the work is proceeding."

The sources said that the national government will only promote canal projects that are of "strategic interest" to the United States, in order to obtain U.S. economic support for such projects. This criteria does not apply to the Van Dam bridge.

Another angle that is being investigated is a scandalous financial operation in which funds allocated for the project were deposited in a time deposit account, which was not provided for in the consortium's internal contract and which resulted in millions in profit for one of the partners.

It was also learned that some 275 workers of the Panama-Arraijan highway, which is the access road to the new bridge over the canal, will be left unemployed before Christmas if the Labor Ministry accepts a request submitted by the builders to suspend their work contracts.

A spokesman for the judicial secretariat of the General Labor Directorate indicated that this request was presented by Jose G. Barbero, an engineer, who alleged that the project has been plagued with a number of problems for some time.

According to Barbero, since the country announced on 2 September that it planned to review the contract on the Simon Bolivar project and the access road, the resulting uncertainty caused sources of credit to be closed off, in addition to which, technical and economic problems increased the cost of the project.

Barbero blamed the cost increases on a decline in productivity, which was in turn due to the climate of uncertainty. He said that although the firm has been able to absorb those increases so far, it will not be able to do so in the future; hence it is necessary to suspend the work contracts.

Consulted on the subject, Public Works Minister Hector Ortega said that he had not been involved in the Sosa y Barbero decision. He said that since taking over the ministry he has instructed ministry workers involved in the project to see that the work continued apace.

For his part, Eduardo Rios, secretary general of the Single National Union of Construction and Related Workers [Suntracs], said that the situation of the Van Dam workers is a source of concern, because only 275 of the original 700 workers are still on the job and there are now plans to dismiss them before Christmas. Although Suntracs was notified of the Sosa y Barbero request filed with the Labor Ministry, Rios said that an effort will be made to see that this source of employment is not closed.

If Van Dam protests suspension of the project, the issue will have to be submitted to arbitration, according to the present contract.

COSTA RICA

PRESIDENT MONGE 'PLEASED' WITH FMLN ASSURANCES

PA210445 Panama City ACAN in Spanish 0025 GMT 21 Dec 82

[Text] San Jose, 20 Dec (ACAN-EFE) -- Costa Rican President Luis Alberto Monge today said he is pleased at having received assurances from the FMLN of El Salvador that it is not meddling in Costa Rican affairs.

Monge disclosed that the letter he received recently, in which the FMLN denies having taken part in acts of violence in Costa Rica, was signed by the "five highest leaders" of the FMLN.

Neither the intelligence authorities nor President Monge himself doubt the authenticity of the letter. Monge has offered to respond to the "Farabundists."

"The fact that the Salvadoran left wing has pledged to stay out of the Costa Ricans' daily life is satisfying and reassuring," Monge remarked, adding that "this is what we need to try to solve the crisis and to work and live in peace."

Members of the "National Security Agency" now believe that the recent threats against four officers of the Judicial Investigation Organization came from Nicaragua and that the FMLN stationery was used to mislead the Costa Rican police.

PRESIDENT MONGE BACKS VOLIO'S FOREIGN POLICY

PA211705 San Jose Radio Reloj in Spanish 1200 GMT 21 Dec 82

[Text] President Luis Alberto Monge was asked by journalists if the foreign policy being implemented by Foreign Minister Fernando Volio is in line with the way of thinking of the chief of state. Monge replied: Foreign Minister Volio has not done anything that does not have my full backing.

GOVERNMENT GRANTS RESIDENCY TO EDEN PASTORA

PA211615 Paris AFP in Spanish 2249 GMT 20 Dec 82

[Text] San Jose, 20 Dec (AFP) -- Official sources reported today that the Costa Rican Government has granted residency to former Sandinist Eden Pastora, who directs a movement opposed to the Nicaraguan regime from this country.

Enrique Chacon, director of the immigration office, explained that the residency papers granted to Pastora are a "reopening" of some he had some months ago. Chacon said, "We hope Pastora will respect his status of resident and not cause problems, because if he does, he will be exposed to drastic measures."

Pastora, along with Alfonso Robelo and brothers Edmundo and Fernando Chamorro Rapaccioli, directs the Democratic Revolutionary Alliance (Arde), the objective of which is to topple the Junta of the Government of National Reconstruction in Nicaragua.

Fernando Chamorro was recently expelled by the government of President Luis Alberto Monge after being captured while driving toward the northern part of the country in a vehicle loaded with arms and other military equipment.

IMF LOAN APPROVAL FACILITATES DEBT RENEGOTIATION

PA210428 San Jose Radio Reloj in Spanish 0100 GMT 21 Dec 82

[Text] In Washington at noon today, the IMF board approved the letter of intent submitted by Costa Rica, (Edgar Yales), head of the monetary department at the Costa Rican Central Bank, has reported.

The agreement between our country and the IMF will take effect on 2 January 1983. The main objective of the program insofar as fiscal policy is concerned is to reduce the public sector's overall deficit this year and in 1983 to 9.5 percent and 4.5, respectively, of the gross national product, from the 1981 level of almost 15 percent. Policies of the public sector will work to unify the exchange rate and to reduce the amount of overdue payments on the foreign debt.

The IMF board's approval of the agreement permits the disbursement of the first installment of the $100 million to our country in early 1983, (Yales) said, noting that the credit will be made available in $25 million installments every 3 months. He added that IMF's approval of the agreement not only paves the way to the disbursement of the first $25 million but opens the door to the renegotiation of the public debt with the creditor banks, which will be resumed during the first few days of 1983.

EL SALVADOR

PDC, PCN, PPS ENDORSE RESIGNATION REQUEST

PA212026 San Salvador LA PRENSA GRAFICA in Spanish 21 Dec 82 pp 3, 64

[Text] Deputies representing the Christian Democrat Party, PDC, the National Conciliation Party, PCN, and the Salvadoran Popular Party, PPS, yesterday endorsed President Alvaro Magana's request that ministers and state secretaries resign and leave him free to choose new collaborators.

President Magana is entitled to demand the resignation of all the ministers to evaluate their activities. This is proper in a good government in democratic countries. Furthermore, in some countries the ministers resign without being asked by the president, so that in case of political crisis he may change ministers whenever he deems it appropriate, said Dr Guillermo Guevara Lacayo of the PDC. That is why the PDC and I feel this is normal in all democratic countries and should not be considered strange, he concluded.

PCN Deputy Dr Rafael Moran Castaneda also commented favorably on President Magana's attitude, since it is within his purview to change ministers. The measure is aimed at leaving President Magana free to plan next year's work with the team of men he deems advisable, said the PCN representative.

President Magana should have requested not only the ministers' resignations but those of all the presidents of autonomous entities; we have no reason to alarm ourselves over this, said PPS Deputy Antonio Genaro Pastore.

Arena Claims PDC 'Plot'

PA211433 San Salvador EL DIARIO DE HOY in Spanish 20 Dec 82 pp 9, 58

[Excerpts] The Nationalist Republican Alliance, Arena, fears that the Christian Democratic Party [PDC] is plotting a coup d'etat to secure the dismissal of Arena militants who are cabinet ministers in line with the national unity pact.

Arena members were interviewed by EL DIARIO DE HOY on Saturday regarding the resignations that President Magana has requested of the ministers. They said that apparently the request applied to all the ministers but the idea is to remove the Arena ministers from their jobs. The Arena spokesmen did not indicate, however, who or what party would be filling the vacancies.

The Arena members said that the Arena ministers have refused to resign, thus running the risk of being dismissed. The leaders of Arena met on Saturday in their party's headquarters to make a decision on the crisis. Arena leaders said that if there is what they characterized as a cabinet catastrophe, President Magana would be breaking the Apaneca Pact. Some Arena leaders have said that Magana agrees with the PDC plans. In view of this, they said, it could not be long before the Constituent Assembly itself has new leaders. The Arena people claim this situation is a result of the work of the democratic center created by the PDC, which has the objective, they said, of eliminating Arena from the entire state bureaucracy, including the presidency of the Constituent Assembly.

The Arena spokesman asked that their names not be revealed in order not to further complicate matters. The most outspoken ones said that this move is probably aimed at the dialogue to which Arena has been opposed from the beginning. They also said that so far no one knows what President Reagan and President Magana talked about in San Jose, Costa Rica, and noted that the situation emerging right now in El Salvador could be related to agreements reached at that presidential meeting. The Arena spokesmen said they are almost sure that the PDC has plans aimed at the political elimination of Arena.

ECONOMIC REACTIVATION COMMITTEE SWORN IN

PA211320 San Salvador Radio Cadena YSKL in Spanish 1212 GMT 21 Dec 82

[Text] The National Economic Reactivation Committee was sworn in yesterday in the Presidential Palace. One of the decisions of the Apaneca Pact was to create this committee.

President Alvaro Magana administered the oath. The committee is composed of Planning Minister Manuel Antonio Robles, Economy Minister Jose Manuel Pacas Castro, Central Bank President (Alberto Benitez Bonilla) and three private enterprise representives: (Eduaro Menendez), (Conrado Lopez Andreu) and (Luis Mendoza).

Magana was accompanied at the presidential table by Roberto d'Aubuisson, president of the Legislative Assembly; the vice presidents of the republic; Foreign Minister Fidel Chavez Mena; Defense Minister Gen Jose Guillermo Garcia; and Francisco Quinones (Avila), all members of the Political Committee that emerged from the Apaneca Pact.

Members of the cabinet, Constituent Assembly deputies, Supreme Court justices, military delegations, the diplomatic corps, representatives of private enterprise, presidents of nationalized banks and autonomous institutions, the Human Rights Committee and important officials were present.

President Magana referred to the economic situation in the country and said that economic recovery is one of the aims of the pacification program of the National Unity Government. He said that other government objectives are the democratization project, resolution of the human rights peoblem and the strengthening of reform.

He said that the country's economic reactivation can only occur when there is a climate of trust, especially within the private sector, to strengthen the positive attitude of our businessmen toward maintaining and continuing the country's development.

Alvaro Magana Comments

PA211515 San Salvador Radio Cadena YSKL in Spanish 1300 GMT 21 Dec 82

[Text] In his speech at the installation of the Economic Reactivation Commission on Monday, the president announced that during his 7 months in the presidency, he has managed to obtain loans of 1 billion colones through his aggressive credit negotiations. These funds will be used in state projects and in the infrastructure, making it possible for the government to continue with plans to create jobs and also to obtain raw material for industrial production.

According to the president, these credits were obtained from international organizations such as IDB, IMF and OPEC. He also said that from 1979 to 1981 the U.S. and Venezuelan Governments have been the main supporters of our economy.

ERP CHIEF JOAQUIN VILLALOBOS GRANTS INTERVIEW

Part 1

PA192310 Managua EL NUEVO DIARIO in Spanish 13 Dec 82

[Insert entitled "From Insurrection to Revolutionary War," Part 1 of a report on an interview with Joaquin Villalobos, commander in chief of the Peoples Revolutionary Army by Marta Harnecker "in mid-November" — place not given]

[Text] Almost 2 years after the beginning of the people's war in El Salvador, the FMLN has demonstrated that it is already a guerrilla army capable of militarily defeating the government troops. It has not only been able to maintain the concentration of guerrilla forces in the rural areas that was created after the general offensive of January 1981, but is gradually advancing toward control of additional territory, particularly in Chalatenango and Morazan Departments, having established a true revolutionary cordon in Morazan Department on the border with Honduras, thereby obstructing the Honduran Army's interventionist maneuvers.

The January 1981 Offensive: A Mistake?

Many viewed the January offensive as a military defeat for the FMLN; others thought the general policy of harassing the garrisons was a mistake. How was it possible to try to attack the enemy's garrisons, where they were best fortified? However, Commander Villalobos defends the tactic, explaining its causes and consequences.

The use of forces to harass many garrisons throughout the country was, according to Joaquin, a proper plan within the "concept of the rebellion of the masses." "The initial goal," he notes, "was not to annihilate the army but to incite the masses to rebellion and, based on this rebellion, to go on to other tactics, including the application of measures that would force the army to move, so that it could be attacked while moving." However, Villalobos admits that at the time the FMLN "had not completely developed its tactical ability to attack the enemy in motion; indeed, not even fixed positions." Therefore, he says, "the key thing was to incite the masses to rebel, which would create a problem for the military."

He also admits that the chances of the insurrection's success were closely linked with the successful incitement of the masses within the Salvadoran people's movement, which Villalobos says is the largest in Latin America.

In January, the "right moment" for the insurrection had already been lost. However, other situations developed in March, April and May 1979 in which it was feasible to contemplate the assumption of power by taking this path, the Peoples Revolutionary Army [ERP] leader stressed. During this time, especially after the assassination of Monsignor Romero, there was a great upsurge in the masses' movement. "The revolutionary movement had the ability to paralyze the country without having to resort to military actions. Ninety percent of the unions representing the working class and the employees" followed this movement's instructions. In addition, El Salvador had "a solid peasant movement in 12 of the country's 14 departments," while there were "serious contradictions within the enemy's ranks." There were individuals within the bourgeoisie and the army who were willing to come to an agreement with the revolutionary movement, but what happened after this date? The army began to impose "systematic and large-scale terror" in the cities and to launch large military operations against the rural areas where the revolution had greater control. This resulted in a retreat by the masses' movement and the attrition of the revolutionary forces. According to the FMLN leader, these factors, together with the still developing levels of unity that existed at the time of the January general offensive, explain the fact that the proposed goals were not met. The revolutionary movement would have had to achieve higher quality to produce an uprising of the masses under these circumstances, Villalobos says.

Although the January offensive did not achieve its objective, which was to incite the masses to rebellion, "it was the Salvadoran revolutionary movement's letter of introduction at the international level." It created the necessary conditions for the creation of a powerful revolutionary army. The months that followed the offensive, during which the enemy did not move from their garrisons, although they continued the campaign of terror in the cities, enabled the insurgent forces to retreat to the rural areas and to achieve -- in that densely populated area of the country, with its difficult terrain and its many roads -- what was a dream to many: the creation of their internal rearguard zones and their guerrilla army.

The Defense of Position: A Necessary Tactic

"The 6 months that followed January were months of resistance, of rearguard consolidation, of the development of our forces and of the advance toward a more qualitative military capability," the ERP leader maintains. He adds that the basic tactic used during this period was that of the "defense of positions."

Why would a guerrilla movement decide to go to a war of positions, in which a large logistical supply is needed?

Joaquin explains why the FMLN adopted this tactic: "The revolutionary movement needed to maintain and consolidate its rearguard at the time. To have applied a tactic of movement then would have been a mistake. Our forces were not yet able to carry out maneuvers and the difficult terrain was not suitable for movement from one zone to another. To come out of our zones meant to fall into the enemy's theaters of operation at a time when the army was able to maintain a campaign for 30 or 40 days. In addition, we were responsible not only for an incipient army but for the protection of the masses, who were giving us provisions and who, in many cases, were linked to our combatants by family ties. They also provided the human reserves needed to continue to train combatants. These factors explain why it was necessary to pursue this defense of positions."

However, the Salvadoran leader concedes that this tactic, which affected the enemy considerably -- "approximately 3,000 casualties, including both dead and wounded, and also including 40 officers, throughout this period" -- and which also permitted the consolidation of the seven FMLN strategic groups, also had negative consequences.

First, "The dispersion of the revolutionary movement's armed power caused a delay in the creation of its strategic operational forces. In other words, the dispersion of armed power ties in more to what I said in reply to one of your questions, which is to say that it was linked more to a military phenomenon than to what we necessary at the moment, which was the creation of a guerrilla army.

"We had to choose the best terrain for the creation of this army, so that we could defend it and could produce attrition in the enemy's ranks. We could not limit ourselves solely to the need to defend the masses. This dispersion, however, wasn't always done this way. Practice in itself, reality in itself and life itself gradually demonstrated that it was a mistake and forced everyone to apply a plan that consisted of concentrating military power, including weapons and cadres.

"Another important thing to note is that...it weakened what should have been a permanent tactic for the revolutionary movement: the struggle in the communications media. The conditions imposed a plan, but we did not attack the enemy in motion, which would have permitted us to learn to fight in the area of communications. At the time, the struggle in communications was understood to mean staging harassment actions and holding the enemy in check and was not seen as a primary tactic in annihilating enemy units."

First Initiatives and Failure of Enemy Operation To Seize Radio Venceremos.

"Six months after the January offensive, in July and early August 1981, the revolutionary movement was able to improve its quality and to take its first steps in the military arena, based on the military experience it accumulated throughout its resistance stage," Villalobos notes. "The movement then emerged from a stage in which everything was decided on the basis of the army's actions and offensives. For the first time, the revolutionary movement was able to occupy an enemy military position, force its troops to surrender, capture prisoners, seize weapons, stage an important ambush and, later, effectively resist the army's retaliation against the place where this campaign occurred, which was Perquin, in Morazan Department," he says.

Challenged by these operations and particularly by the existence of Radio Venceremos, in December the army launched one of its biggest operations to date against the FMLN, "but with changes in its tactics intended to permit a rapid advance into the area under our control toward the place where the radio operated. Small units disembarked in the northern part of the department, an area where we didn't have much defensive capability. This army operation was successful initially, because it threw our defenses into confusion and forced us to make moves that were not well coordinated."

By acting like this, the enemy hoped to defeat the guerrillas' plan. "They gave great mobility to their units, placing two support weapons with each squad so that it could attack positions and dislodge us from our trenches, and then they began to concentrate large forces in the surrounding areas and to occupy regions that we might use in retreating. They seized one of Venceremos' transmitters in one such ambush. They reported that they had seized the radio in its entirety and that they had even taken the announcers prisoner. This was false," the commander says emphatically.

The enemy counteroffensive was unsuccessful in attaining its goals: It did not destroy Radio Venceremos and it did not dislodge the FMLN from one of its areas of military concentration. When the army forces began to get tired, the revolutionary forces resumed the initiative, smashing the army in La Guacamaya. We again took this position and Radio Venceremos went back on the air.

"This was a great victory," Joaquin maintains, "because, unlike July and August, we not only took the initiative but completely defeated the enemy offensive." Now we began to take the initiative "in terms of offensives, an area in which the enemy was killing us." This reduced the strength and duration of the offensives "and events began to be increasingly determined by what the FMLN did and not by the enemy's initiatives."

After the July and August campaigns, we also applied the combined actions "of sabotage of energy sources and attacks on the country's roads. To this we must add important operations in the capital, such as a sabotage operation carried out by a companero, a National Police sergeant, inside the police headquarters. He destroyed armored cars and part of the building in this action."

New Tactics in Facing the March 1982 Elections

The FMLN's actions between December 1981 and March 1982 "were determined by the political context of the electoral campaign. It would have been a serious mistake to have taken the enemy's electoral plans lightly," the guerrilla leader maintains.

The "political content of our actions" defined the military activity in this period. This activity was intended to exert pressure on the urban areas. "During this period, we carried out attacks in San Salvador, Santa Ana, Usulutan, San Vicente and San Miguel, the country's largest cities. The attack on the Ilopango airbase was carried out on 27 January 1982 with a commando operation that destroyed 70 percent of the Salvadoran Army's aircraft."

"It is within this context that we staged the FMLN military offensive of March 1982. We had to fight a strategic battle so that we could at least weaken the electoral results." How could we do this? Joaquin replies: "By obtaining a military victory somewhere in the country, in order to unleash the masses' insurrectional movement there" and perhaps, by chain reaction, in other places.

This time we were not trying to "start with the idea that the masses would rebel from the very first moment, as we did on 10 January. We were trying to begin with military actions that, because of their targets and importance, would bolster the masses." However, if this could not be achieved, we were trying to "obstruct the development of the elections" at least.

What was the basis of the March plan?

We chose Usulutan, the country's door to the eastern sector of the southern region. The FMLN's first goal was to ensure the isolation of that area, particularly the isolation of the city of Usulutan. If this was not first achieved the plan would have been difficult to implement, because we needed to establish a prolonged siege on the Usulutan garrison in order to succeed. We had to do this by initiating military actions and by gradually enlisting the masses in the task, thus spreading the fighting throughout the city.

The plan failed, because 4 or 5 days after the elections -- when 3/4 of the city had been occupied and the FMLN forces were only 100 meters from the garrison, following the enlistment of more than 500 people in the struggle -- the army, which no longer needed to concentrate its forces in San Salvador, sent reinforcements to Usulutan that were not stopped and retook the city.

"In the first place," Joaquin explains, "the strategic routes that gave access to the city were left open and the enemy deployed important forces in the country's eastern region. In the second place, our forces in Usulutan placed greater emphasis on overpowering the enemy inside the city than on controlling the reinforcements. Greater care was given to the plan for the siege and the combat plan dealing with the immediate access routes used by the enemy was not effective.

The largest forces, the best men and best leaders were used in the siege; thus, we had greater firepower there. In addition, the forces used on the access routes were not only fewer but were scattered which made it difficult to deal the enemy a harsh blow, to stop it or to smash its forces.

"These errors by or weaknesses in the FMLN were known to the army. Thus, to defeat us in Usulutan, it not only brought forces into the city immediately, it laid a strategic siege on the city as well. This was the key part of the enemy's maneuver. We should have done this," the top ERP leader emphasizes. "Instead, we allowed the enemy to do so, because most of our forces were concentrated inside the city."

In addition to the actions staged in Usulutan, the plan also called for actions in San Salvador, but minor ones, since the FMLN knew that the enemy would have a huge concentration of forces there. Despite the heavy military cordon laid around the capital, the guerrillas managed to penetrate it and enter the capital. However, they could not go on fighting for the entire duration of the electoral process and this enabled the government to give the false impression abroad that the elections had been held peacefully in most parts of the country.

According to Villalobos, following the elections "the enemy entered a process of very serious political reverses. He explains: The enemy entered the most serious period of contradictions in the entire history of the process. The revolutionary movement, on the other hand, did not come out weakened, as the army believed. On the contrary, it was preparing to take a qualitative leap in the military area."

"For all these reasons," he adds, "we do not regard the March battle as a defeat. We simply did not achieve the strategic goals we sought, but that happened not so much because we misjudged the situation as because we made important tactical mistakes in implementing these plans."

The June Campaign: Beginning of the Salvadoran Army's Defeat

"The enemy considered us defeated when it retook Usulutan, but we gave our response in June: A decisive strategic development occurred at this point. It marked the beginning of both the Salvadoran Army's defeat and an invincible march toward the revolutionary movement's victory. We began to show the world that we can win the war," the experienced Salvadoran military leader asserts. He adds: "Once the electoral process ended, our response to the enemy was no longer determined by the need to give a political response to a given situation, which would necessarily subordinate our military activity to that political objective. Our basic problem then became how to break the army militarily.

"In fact, we had to come of age militarily. The tactic that was to be employed to defeat the army became the main problem. It was necessary to become more effective in the military area: to go from the defense of positions to a war in motion, to go from the dispersion to the concentration of forces."

The campaign of June 1982 was based on further concentrating the FMLN forces in Morazan and on attacking the enemy in motion. In order to force it to move, the guerrillas decided to surround Perquin. "This position was not our target," Joaquin explains. "The goal was to attack the reinforcements that we assumed the army would send in, since that is the most important point in the northern part of the country and since it is very useful for communication with Honduras."

He then describes these developments in detail: "Sure enough, the army airlifted two companies to San Fernando, which is located immediately to the west of Perquin, approximately 10 km away. The army also ordered the evacuation of the small headquarters in Perquin and then proceeded to try to retake that position. Part of the force in that headquarters managed to escape, while others were captured when our forces occupied the town.

"At that point, our stand differed from previous stands. The tactical leap in quality was more clearly expressed here: We no longer cared whether or not we retained Perquin. We obviously controlled the town, but in order to move forward with our basic idea, we placed our emphasis on surrounding the enemy reinforcements, the 250 soldiers who were stationed at that point in San Fernando.

"This forced the army to move again, deploying three companies from Torola, southwest of San Fernando. This was the chance we sought. The enemy fell into the trap. The minute we drafted the plan we knew that it would be difficult for a classical ambush to succeed, because the army already knew how we behaved. It knew we staged harassment ambushes, that we set up forces to contain them, etc. Their plans obviously called for occupation of the highlands; that is, for control of the strategic positions, so they could advance along the access routes without problems. However, we had prepared for that, too; we had prepared to stage maneuvers enabling us to attack the enemy in motion by surrounding it while on the move. At bottom, the ambush principle was being maintained.

"The basic problem was to eliminate an important army unit while on the move. That was our position. How could we accomplish this? This would be determined by the area and by the enemy's behavior. When we say that we maneuvered, we mean that we planned the ambush while on the move, in accordance with a more dynamic concept, more in line, really, with the idea of a war in motion. It is exactly this with which we have had the most success, because the army no longer moves in traditional ways. Furthermore, the short distances over which the army must move enable it to move by foot, to flank -- that is, to advance not only along the roads, but to seek other routes by which to approach the target -- to seize the nearby highlands, etc.

"All of those elements must be considered by our forces. So, what must we do? Well, we should continue to move on the double, to encircle the forces that are being deployed, trying to keep them in disadvantageous positions until we can finally lead them into an ambush. What really happened when three army companies were deployed from Torola in an attempt to rescue 250 soldiers who were surrounded in San Fernando? The army advanced on foot, initially, and it did not move on the main access road. When it detected our forces, it made a flanking move through a creek, at a low point in the terrain. Our forces were then in a position to detect them, encircle them and wipe them out."

The results of that action were as follows: 43 prisoners, including the deputy defense minister, whose helicopter was brought down as he flew in to boost the morale of the stricken forces; over 80 dead; more than 170 rifles seized; 12 support weapons, including light artillery pieces, taken; and thousands of cartridges recovered. In view of this serious setback, the army decided to launch a counteroffensive by transferring 6,000 men to Morazan, but this only served to weaken its forces and to prompt the defeat of the Belloso Battalion. The revolutionary forces responded with a general sabotage of highway transport. This new action forced the army to move in small patrols, in an effort to keep the highways open for the transport of merchandise and of tools needed to produce cotton, coffee and other goods. This permitted the FMLN to attack them, "at a time when they were least protected."

Meanwhile, on 7 August, lured by the FMLN harassment in Ciudad Barrios, a group of reinforcements was practically exterminated in a classical ambush on one of the routes near that city. In addition, FMLN forces occupied the town of Yamabal and the San Carlos farm at the Cacahuatique Volcano. All of this meant, according to the Salvadoran leader, "the army's loss of more than a company, including prisoners, dead, wounded and captured weapons."

The army ended up by retreating, without inflicting any damage on the rebel forces or releasing the deputy defense minister. Thus, the FMLN proved what it intended to prove in the June campaign: that it can "win the war, and win it militarily."

This change of tactic — attacking the enemy in motion -- defeated all of the army's plans and permitted "the initiation of a permanent means of logistical supply, through the recovery of weapons," as well as reducing the guerrillas' casualties considerably.

Toward the Moral Collapse of the Army

"In our previous campaign, we decided to prove that we could win the war; now, we intend to push the army to the point of moral collapse. To defeat an army, it is not necessary to exterminate all of its men of to relieve them of their arms, but simply to provoke their moral collapse," Villalobos maintains.

To achieve this objective in the latest campaign, which began in October, the FMLN is trying "to expand the three areas of the previous campaign: first, the actions of strategic elimination in those parts of the territory where this may be possibile; second, the nation's destabilization through sabotage, mainly of transportation on the highways and of electric power, the telephone communications system and fuel supplies; third, harassment ambushes and lesser elimination actions. By concentrating on these areas, making better use of all of our forces and taking advantage of our high combative morale and of our forces' great efforts on all fronts, we are promoting the moral collapse of the enemy forces. This has already yielded results: Strategic elimination actions are taking place on two fronts, in Chalatenango and Morazan."

Part 2

PA202110 Managua EL NUEVO DIARIO in Spanish 14 Dec 82

[Insert entitled "From Insurrection to Revolutionary War," Part 2 of a report on an interview with Joaquin Villalobos, commander in chief of the People's Revolutionary Army, by Marta Harnecker "in mid-November" -- place not given -- all quotation marks as published]

[Text] Second, the destabilization actions began as part of the same plan, as part of a new offensive concept. The actions began in Chalatenango on 10 October and in Morazan on 12 October, while the nationwide plan to sabotage the energy and transportation sectors got underway on 14 October.

Third, the constant harassment ambushes on highways and minor attacks multiplied from the outset."

Summarizing the first 38 days of the new rebel offensive, the guerrilla commander affirms that there has been no "important decline in the quality and quantity of our operations, while our forces have inflicted three significant defeats on the army: at El Jicaro-Las Vueltas in Chalatenango, and at Perquin and Corinto in Morazan, including the army's loss of three companies."

"So far," he adds, "in a little over a month, we have captured 210 prisoners; killed over 200 and wounded 343; recovered 422 rifles, 25 support weapons, including 2 120-mm mortars, and over 100,000 cartridges of various calibers; shot down a helicopter; and destroyed an armored car and over 12 army trucks. Our forces have staged important actions in Guazapa as well, having recovered weapons and ammunition only a few kilometers from the capital. The ambushes on strategic highways are numerous and the attacks on minor positions are constant. The seizure of weapons and prisoners is a daily event for the revolutionary movement. The eastern part of the country has been virtually paralyzed economically almost from the inception of the campaign; there is no transportation and no electricity, while a great shortage of fuel has resulted from the destruction of more than a dozen tanker trucks that were carrying fuel to that sector. Water is rationed and the railroad has been paralyzed by the destruction of bridges and locomotives. All of this threatens the cotton and coffee harvests.

"In the central sector of the country, four departments -- San Vicente, Cabanas, Cuscatlan and chalatenango -- have been seriously affected by the energy shortage. The main northern highway is constantly interrupted by sabotage actions.

"In the capital, acts of sabotage are constant. There has been a reduction in urban transport service; electricity in the capital is down by more than 50 percent, with frequent blackouts; all strategic electrical lines have been sabotaged, while thousands of telephone lines in the capital are out of service.

"In the western part of the country, transport has been paralyzed for several days at a time with the destruction of vans, buses and coffee trucks, while electricity is beginning to be seriously limited. Commercial transport from Guatemala has been interrupted by sabotage.

"The prolongation of this situation and our continued military blows are putting the enemy in a difficult spot," Villalobos says.

Quite a different situation is taking place inside the FMLN. The gradual commitment of its forces and the general weakening of the enemy allows our forces to stay fresh, guaranteeing the constancy of the struggle. "This is one of the most important phases of the October 1979 and 1980 Heroes and Martyrs Campaign," ERP leader affirms.

The army has begun to realize that it can no longer control the nation's territory; that it must give ground and protect its strategic areas. The attack on the oil refinery "in the enemy's supposedly safest sector, the western sector of its deep rearguard area," proves this.

As of mid-November, the date of this interview, three towns had been taken from the enemy in Chalatenango and six in Morazan. This is in addition to the 19 towns that the enemy abandoned. Demoralization is running rampant in the enemy's ranks. Instead of fighting, the soldiers tend to surrender. The fact that the army is not moving is not just the result of defensive military action, but also reflects the troops' fear that they could be smashed or wiped out. Finally, the enemy is increasingly inclined to speak of nonexistent operations or of actions that have no military value. As our interview was ending, the army had launched a counteroffensive against Chalatenango. Even then the FMLN leader was predicting that the army, even if it temporarily recovered some of the lost towns, would be forced to leave the area without military success. It happened just that way. The government loudly announced the capture of several towns, which were recovered a few days later by the rebels because the army withdrew without leaving any troops there.

Now, what was the specific plan for the October campaign? Commander Villalobos offers the following explanation: "The offensive sought," he says, "is to present the army with a choice: It either gives ground by refusing to make a move, and we maintain our positions and extend the areas under our control, or it moves, in which case we act to eliminate a larger number of units."

If the Army Loses Ground, It Is Because It Is Losing the War

"What choice did the army make? At first it gave ground, abandoning territory that we could use for greater maneuverability and for solving our supply problems. Then, in our occupation of the six towns and our 8 November ambush on the Corinto-Sociedad road in Morazan, we wiped out two companies, capturing their weapons, and put two more out of action. We practically destroyed an enemy battalion in the space of a month. In the past, they were able to maintain a cordon around the areas under our control, to prevent the arrival of supplies and to weaken our social foundation, but all of that is now becoming a thing of the past, as our theater of operations and areas of control continue to expand.

"The October campaign in Morazan began with the encirclement of over 100 army troops in an important position and with the occupation of three towns at practically the same time. The towns of Torola and San Fernando were taken during the first few hours of fighting and the army's positions in Perquin were surrounded, leading to the occupation of the town and the surrender of most of the forces there, including the captain of the company. This presented the army with a situation that, in theory, forced it to undertake a strategic deployment. But it did not do so; so we looked for other objectives: We occupied the town of Joateca and the town of Carolina, to the north of San Miguel. This increased the amount of ground at our disposal, as the northern sector of the department, adjacent to Honduras, generally began to fall into our hands.

On 8 November, on the Corinto-Sociedad road, our forces destroyed another enemy company that was on its way to reinforce the Corinto garrison. We captured some 100 weapons and some military vehicles and we took 62 prisoners, including 2 officers. Later, our forces occupied the town of Corinto. "It is highly significant that the army now argues that the positions they lost were of no importance, when it went to great extremes to keep them in the previous 2 years of the war, with operations in which thousands of men were used at a cost of millions of dollars; with the loss of a large number of troops both dead and wounded, and with the construction of forts and the use of millions of cartridges, cannon rounds, aerial bombs, etc.

"The problem of the terrain in El Salvador is a serious one for both sides. El Salvador is so small a country that neither can afford to lose ground. If the army is losing ground, it is because it is losing the war."

Minimal Conditions To Begin Organizing a Guerrilla Army

"It is essential to have a rearguard," the ERP leader says, taking the people's support, which the Salvadoran revolutionary movement has always enjoyed, for granted. That, undoubtedly, was the major achievement of the offensive launched in January 1981.

The situation in El Salvador is not the same as that in Nicaragua or Guatemala. In the first case, the Sandinists had a bordering country, Costa Rica, as their rearguard; in the second case, the Guatemalan guerrillas have topographic and demographic conditions that facilitate the formation of rearguard zones in their own country. The FMLN, however, has no friendly borders. On the contrary, the forces at the border are allied to the enemy army and the FMLN had to organize its rearguard in a small and densely populated country with its adverse topography crisscrossed by roads.

Why did the January offensive permit the formation of this internal rearguard?

According to Villalobos, because the offensive "put the army on the defensive, concentrating it in its strategic areas." "That," he adds, "gave us a few peaceful months and enabled us to create the seven strategic fronts, the seven concentrations of forces and the rearguard that enabled us to prepare the people...even the enemy's offensives turned into schools in combat preparation, the best school for such preparation. All of those months, the months that we resisted in those positions, forces us to learn. Not only did we have the place in which to prepare the men, but we were also forced to solve the problem of tactical-military learning in a concrete manner, by confronting the enemy.

"It was not a school where we graduated people and then took them to the site of operations. Instead, the rearguard and the site of operations were intermingled there, for the enemy sometimes would expel us from certain zones, while we would regain control of the area later. This also meant that the people had to learn engineering work, in order to protect themselves from the routine artillery and air force bombings. In other words, what led to the formation of good military contingents in Morazan, Chalatenango and Guazapa was the fact that for months we had to fight almost daily in those areas against the enemy's effort to destroy us.

"Another thing that helped to organize our army," according to Joaquin, "was the fact that for the 10 January offensive, the revolutionary movement decided to arm itself and to fulfill its logistical plans. Those plans, designed with an insurrectional mentality, were based primarily on two things: on one hand, having people willing to bear arms — something that the revolutionary movement had in abundance despite its previous decline in the cities — and on the other, having financial resources. We had these as well, as a result of the recoveries made during the previous period. However, it was not only the existence of a war fund and of people willing to arm themselves that enabled us to do it. Above all else, it was our military capacity to carry out supply operations in very difficult terrain, a capability that involved plans, cadres and structures capable of fulfilling their goals by taking advantage of all existing opportunities. Had we not fulfilled that strategy on 10 January, we would have been hard put to create a rearguard.

Our own combatants also had to take a qualitative leap in discipline. Since there had been a stage in which we used the tactic of defense of positions, and this tactic "was more closely connected to a militia-type struggle than to anything else," this was not an easy task. Families had to be abandoned, so that we could move to other combat areas. "We even had to abandon the stage in which we were on the defensive in the face of army actions, to go on to a stage where it was we who determined when fighting would take place."

From Physical Annihilation to the Policy of Taking Prisoners

The number of prisoners in the hands of the FMLN is growing every day in El Salvador. Is this due only to the army's increasing demoralization or has a change in the Salvadoran revolutionary movement's policy toward the enemy had any influence? The commander admits that, at first, certain forces within the Salvadoran revolutionary movement followed the mistaken policy of physically annihilating the enemy, but he says this can be explained. "One must recall," he tells us, "the Salvadoran revolutionary movement's exhilarated past among the masses and the fact that the need to strike at the henchman or to execute a traitor arose logically within the framework of the original insurrectional spirit." Although this was not ERP policy, its leader admits that in the period following the offensive launched in Morazan in October 1980, when his organization's forces began to reorganize, the first thing they began to do was to execute the paramilitary elements.

The directorate, however, ordered the immediate suspension of this improper behavior, thus resisting the people's pressure on the combatants. It had to be remembered that the members of the paramilitary organization Orden [Nationalist Democratic Organization] were peasants who had joined it "due to ignorance, pressures or the sincere belief that they were doing the right thing."

"We could not engage in a policy of elimination and extermination of these people simply because they bore weapons against us or because they were accusing other people," Joaquin comments. "We had to adopt other forms of struggle against them, including struggle in the form of messages, the political struggle, and providing them with political treatment if we could take them prisoner.

"In order to defeat the strategic enemy of those very masses -- the army, as a structure that was controlled by a ranking fascist command -- even a policy intended to rescue part of that army is necessary," he explains, adding: "This 2-year old war involves large-scale confrontation and might cause distortions even among our own combatants. What does the policy of taking prisoners allow us to do? It enables our combatants to learn to show respect for the defeated, to have a humane attitude. It permits them to learn that both in war and in victory, they should act without the arrogance of a victor who is incapable of understanding the problems that have sometimes led the militarymen to raise their weapons against us. This may have happened because of ignorance, mistakes, etc."

The humane treatment that has been accorded to the prisoners has already borne fruit. Between 10 and 12 of every 100 soldiers captured have gone on to join the ranks of the FMLN and to fight beside them. The remaining prisoners either have been released immediately after the fighting or have been turned over to the International Red Cross. Those who leave take with them an image of the guerrillas that is completely different from that which had been instilled in them by the army: They see the guerrillas' humaneness even on the battlefield; they see that the guerrillas come from among the people, just as they do. They take that image back to the troops, spreading among them the certainty that surrender is not a humiliating action and that although they can save their lives by doing so, perhaps the most important thing is that in this way they do not go on fighting for something that no longer makes sense. Why die to defend the interests of a few officers?

"This is one aspect of our battle against the army's most reactionary sectors and we are winning it," Villalobos asserts. "General Garcia once told the media that he could not officially receive the returning prisoners because they would continue to surrender. After a few weeks, however, the general was officially permitting the International Red Cross to receive the first prisoners, and a few weeks later he received yet another group. New deliveries of prisoners are already being prepared.

"The high command has been forced to adopt this attitude because the existence of the prisoners is creating pressure within the armed forces, in terms of demands for their release. This policy has also become a way of sending a message to the sectors that are aware that it is possible to come to an understanding on the problem of war and to search for new solutions to the conflict."

Radio Venceremos: A Challenge for the Army

"The voice of Radio Venceremos was heard from the outset of the war. For many months it was the most important tool that the FMLN had in breaking the wall that the government has built around information in its effort to prevent the outside world from learning of the great strides made by the guerrillas.

The station thus became a constant challenge to the Salvadoran Army, which made two determined attempts to destroy it: the March-April 1981 campaign and the one that took place in December of the same year. However, they both failed completely. They were certain that they had gained their objective when they recovered one of the station's radio transmitters in December and so they announced it to the entire world. Twenty days of silence seemed to prove them right. However, the rebel voice of the guerrillas returned. The cautious guerrillas needed only transfer the reserve equipment they already had.

The leader claims that as the guerrillas advanced militarily, the radio ceased to be the enemy's "main objective." They were convinced that they would achieve their objective only when they won the war. Meanwhile, they tried to jam it. The best "defensive perimeter" that Radio Venceremos has, according to Joaquin, is "the offensive revolutionary actions that the revolutionary movement has taken," which also permit the creation of new radio stations on other fronts.

Meanwhile, the station's influence grows from day to day; it transmits not only on shortwaves but on modulated frequencies, which reach the enemy's most distant rearguard: the capital. From its birth it has been the official voice of the FMLN at every new juncture, giving information on the progress of the war, stating the Salvadoran revolutionary army's position and expressing the guerrillas' wish to find a political solution to the problem.

"Their information policy has been totally faithful to the truth," Villalobos explains, "thus achieving a well-deserved prestige both with the masses and with their adversaries."

"The army is one of our best listeners." Since there is a misinformation policy within their ranks, "the officers believe more in what Radio Venceremos reports than in what Garcia and the high command say." They know that this informative station does not misrepresent facts "to obtain a false sensationalism." It is through Radio Venceremos and not from their commanders that they have learned of the officers and soldiers who have been taken as prisoners of war, information that the army denied.

Fundamental Role of Internal Radio Communications

The density of the population and the diversity of the communications lines in El Salvador, which prevent the use of the factor of surprise and force the army to change its plans while on the move, make military communications systems an important factor in the advancement to the greater phases of war.

The ERP commander in chief suggests the following example: In a war of motion, where "the army has several approach routes," the only way to know their exact location is to depend on communications systems that will allow us to know which of the routes they are using, so that we can prepare an elimination operation, which is selected while on the move." In a country with these conditions, the guerrillas cannot cover all of the roads of approach or send letters; only radio communications can act in time. The battle of Torola-San Fernando in June "would not have been possible had we not had radio communications," he claims, because advance observations allowed us to know when the enemy was arriving and when they would begin to move, permitting us to arrive ahead of them and to make the necessary movements and occupy the correct positions so we could carry out the annihilation."

That also explains why the first thing that the North Americans reinforced in the Salvadoran Army was its communications radios. They "multiplied and increased them to a huge number, precisely because they knew that they would have to confront the development of the revolutionary movement's maneuvering ability and would have to make decisions on the move."

Reasons the Offensive Was Discontinued

Some revolutionary sectors have criticized the FMLN for its tardiness in moving from one offensive to another. Villalobos argues that there is a simple explanation for this. The revolutionary forces have been able to create a real army and, as such, it suffers from physical exhaustion and from the depletion of supplies and logistical reserves. In June, for example, the guerrilla offensive in Morazan had to be suspended essentially because the food in the area ran out, a result of the enemy's extensive siege of the department.

The interesting thing about this is that while the army is reducing its campaigns -- initially, they lasted 20 days, while the most recent ones have lasted only 4 or 5 days -- the guerrilla forces recover with increasing rapidity. The growing extension of the territory under the FMLN's control permits it to better solve its food problem and the annihilation of army units gives it more weapons, ammunition and logistical supplies in general. At the same time, these weapons enable new sectors of the people's masses to join the war. According to the ERP commander in chief, this constitutes an upward spiral in the war as a result of which there will no longer be discontinuity in operations.

Now then, how will the masses participate in the final phase of the war? "It is hard to make a prediction on this," Joaquin said, adding: First of all, it must be reiterated that the masses have never been absent from the revolutionary process and that without them we could have never created the powerful people's army we now have. It remains to be seen whether the masses will express themselves in an insurrectional manner, in the form of a general strike or through a mass incorporation into the revolutionary army.

"What we do know," he added firmly, "is that the people's war is advancing by huge steps, that the struggle is increasingly consolidating the unity of our forces and that this enables us to deal increasingly crushing blows on the enemy."

"The Salvadoran revolutionaries are aware of the dimension that our struggle has in the context of Latin America's future and we understand our responsibility to freedom and peace on the continent," he adds.

"Nevertheless," he concludes, "if imperialism is bent on preventing our people from constructing their own destiny, we are sure that it will suffer an even harsher defeat than it did in Vietnam, since nothing and no one can prevent the achievement of our freedom."

HAVANA RADIO NOTES PAN-AMERICAN HIGHWAY ATTACKS

PA220232 Havana International Service in Spanish 1600 GMT 21 Dec 82

[Text] Fighters with the FMLN of El Salvador launched heavy attacks on military positions on the Pan-American Highway, gaining control of KMs 62-68 of that important road. Meanwhile, the Salvadoran Armed Forces command has admitted that the rebels have been in control of the towns of Guatajiagua, Yamabal and Sensembra, near San Francisco Gotera, the capital of Morazan Department, since Friday.

Another report reveals that Gen Jose Guillermo Garcia, the Salvadoran regime's defense minister, has made a new appeal to the guerrilas to join what he described as the democratic process. This appeal, in the opinion of observers, is another indication of the Salvadoran military officers' growing demoralization in face of the increasing strength of the partiotic forces.

REBEL HARASSMENT INTERRUPTS COFFEE HARVEST

PA212315 San Salvador Radio Cadena YSKL in Spanish 1212 GMT 21 Dec 82

[Report by Raul Beltran]

[Excerpt] According to information duly confirmed by the YSKL news center, the coffee-picking activities in the provinces of Tecatan and California, near Santiago de Maria, some 125 km east of San Salvador, have been suspended since yesterday afternoon because of attacks by armed groups in the area.

Official reports reveal that the coffee growers are demanding a large-scale operation to restore order in the sector and to permit the coffee harvest, which is a fundamental part of our economy, to proceed without interruptions by the subversive groups' harassments.

The latest reports indicate that in the Province of California, some 5 km southeast of Santiago de Maria, a National Police sergeant was wounded on Monday afternoon when a police patrol tried to restore order in the sector, which has been seriously disrupted by the presence of armed groups in that eastern part of the country. Later the same afternoon, another police patrol was dispatched to reinforce the security forces that had been assigned to evict the rebels from the area. This patrol was ambushed by the rebels and eight policemen were killed in the ensuing clash. They belonged to the Santiago de Maria Police Detachment.

RADIO VENCEREMOS COMMENTS ON CABINET RESHUFFLE

PA211641 (Clandestine) Radio Venceremos in Spanish to El Salvador 0230 GMT 21 Dec 82

[Station commentary]

[Text] During his meeting with Magana, President Ronald Reagan reported broadly on the U.S. Government's difficulties in continuing economic and military aid to the Salvadoran regime in view of internal U.S. pressure and the international isolation of U.S. interventionist policy.

The image that the ultrarightist Salvadoran regime projects abroad could'nt be worse. This image, Reagan ordered, must be improved regardless of cost. Reagan must testify again respect for human rights has improved in El Salvador. Therefore, he was exerted pressure to have make up applied on the putrid face of infamy to mask the extreme right's genocidal inclinations. This is why Reagan has considered the need to apparently displace the elements that currently hold government posts, whose corrupt criminal backgrounds are too familiar.

While trying to wash clean the Salvadoran power structures' image however, he has come across elements like Maj Roberto d'Aubuisson, president of the top constituent branch, Defense Minister General Garcia and other high-ranking militarymen and cabinet members. In the face of this reality, imperialism must content itself with a less spectacular but equally problematic change. The change of certain government officials, like President Magana is trying to do, does not involve real modifications of the high-ranking command's repressive and genocidal policy, since state terrorism does not originate in the perverse minds of individuals like D'Aubuisson, but is a genocidal policy in line with a strategy promoted by the oligarchic sectors, implemented by the high-ranking military command, and sponsored by imperialism.

It is within this framework that President Magana has asked his ministers to resign. This is not the usual demand made every year around this time. This time it is part of a maneuver that has to do with the fact that Reagan will soon have to testify in Congress.

D'Aubuisson has become a bothersome stone in Reagan's shoe. Major d'Aubuisson, the assassin of Monsignor Romero, and his clique holding the key posts, in the administration, is the worst image possible for the cardboard democracy that Reagan wants to show the world. D'Aubuisson, meanwhile, has publicly announced that no member of his party, Arena [Nationalist Republican Alliance], will resign from any post in the so-called National Unity Government. This stance by Arena, which challenges President Magana and Reagan's orders, clearly reflects the current crisis of the fascist abortion derived from the electoral farce of 28 March.

These contradictions among the minority parties currently in power do not reflect a mere scramble for power. The current crisis and contradictions have been exacerbated and made to explode by the FMLN's political and military advances. These contradictions grow deeper as our military victories occur, to the extent that it is shown that the high command is incapable of designing a coherent response to either our national military actions, the battle waged against their war economy, the constant seizure of enemy positions and towns, (?the extension) of the controlled areas, the recovery of weapons, or the capture of prisoners of war resulting from the demoralization in the ranks of Garcia's army. In other words, the fact that the armed people are winning the war has caused a deeper crisis in the ill-called National Unity Government.

We want to make clear, however, that whether or not the cabinet resigns, neither the policy characterized by violation of human rights nor the regime's genocidal strategy will change at all. Reagan will testify in Congress just the same, especially now that General Garcia claims that it is necessary to increase his army in order to confront the FMLN army. The dictatorship needs more weapons and Reagan will provide them. Reagan will send in more weapons to be used in genocide.

Our people will defeat them. Our people will continue to join our militias and our people's army in order to use those same imperialist weapons, which we will continue to seize from General Garcia. In El Salvador, history will once again establish that a people's will is stronger than any empire's unjust impositions. The dictatorship [word indistinct] in its contradictions. If 1982 was the year of the great popular victories, what won't we be able to do in 1983? Let us consolidate our continous advance with this powerful people's army.

Salvadorans: Let's make 1983 the year of mass incorporation. Come on, Salvadoran, we invite you to this combat on behalf of national dignity and sovereignty. Let's all join, for this is the people's hour!

BRIEFS

NEW REVOLUTIONARY PAPER -- The first issue of the Newspaper RETAGUARDIA COMBATIVA [COMBATIVE REARGUARD] was recently published by the International Information Command of the Salvadoran revolution. Salvadoran refugees are urged to contact RETAGUARDIA COMBATIVA by writing to the following address: Refugees mailbox, Box 7-907, Mexico City, of Box 2363, Managua, Nicaragua [(Clandestine) Radio Venceremos in Spanish to El Salvador 1400 GMT 19 Dec 82 PA]

GUATEMALA

GOVERNMENT PERMITS PUBLICATION OF MANIFESTO

PA220225 Guatemala City Cadena de Emisoras Unidas in Spanish 0131 GMT 22 Dec 82

[Communique released by the Secretariat of Public Relations of the Presidency on 21 December -- read by announcer]

[Text] The Government of the Republic of Guatemala informs the public:

1. The terrorists who are holding Xiomara Suazo sent her family a new communication expanding on their demands, on the pretext that there was a mistake on their part in their initial demands. Now, the manifesto from the terrorists must be published in a larger number of news media in Guatemala.

2. The Suazo-Estrada family has told the government that is has made arrangements for the publication of the manifesto tomorrow in the news media requested by the kidnappers, in the countries demanded by them.

3. The Guatemalan Government has been informed by Xiomara Suazo's family that the manifesto will be published tomorrow in the other countries. For this reason, it has also agreed to its publication in Guatemala, because there would be no point in banning its dissemination when the manifesto has already been published in other nations.

4. The government makes it a matter of record that it will not bow to any other demand that the kidnappers may pose to the family to release Dr Xiomara Suazo.

5. It reiterates its humanistic orientation, its decision to promote human rights, its commitment not to allow any abuse of power or kidnappings of any sort and states that it will make every effort to guarantee the civilized principle that every individual has a right to life, liberty and personal safety. Universal Declaration of Human Rights, United Nations Organization. [Source of quotation indicated by announcer].

6. It again condemns abduction as a clear violation of human rights, as it has said repeatedly.

7. The government states that it guarantees free political participation after 23 March to all Guatemalans and that it will not allow economic, social and political problems to be settled through violence, murders, kidnappings and death, as in the past, but at the polls, in free elections, in which everyone will be able to participate, as in all civilized nations.

Kidnappers List Instructions

PA211350 Guatemala City Radio Nuevo Mundo in Spanish 1145 GMT 21 Dec 82

[Distributed by Inter-Central American Radio Organization]

[Text] The kidnappers of the Honduran president's daughter today revealed the name of their organization in communiques released to the various Guatemalan news media. The kidnappers belong to the Pedro Diaz Command of the People's Revolutionary Movement, the same group that some time ago kidnapped Public Health Minister Dr Roquelino Recinos Mendez.

The organization has sent the document, the publication of which it is demanding as a condition to release the Honduran president's daughter, to the various Guatemalan news media. It has also sent a letter to the press in general intended to speed up the negotiations.

The organization that holds Dr Xiomara Suazo Estrada has sent proof that the president's daughter is alive. Among other things, the organization sent the carnet that identifies Dr Sauzo as a resident doctor in San Juan de Dios Hospital. The carnet, issued in March 1982, expires 31 January 1983. Her picture is on the carnet. According to the organization, the evidence that Dr Suazo is alive was sent sufficiently in advance via the municipal firefighters in the capital city's Zone 11, by means of a Captain (Lopez).

The kidnappers sent enough copies of the manifesto so it can be published as demanded, and they sent a list of the Central American and Mexican media that must publish the manifesto. A curious note: In Guatemala's case they did not include any newspaper, only the television newscasts and seven radio newscasts.

Here is the list of the Honduran media that must publish the kidnappers' political manifesto. In the case of Honduras, the media included in the list sent by the kidnappers of the Honduran president's daughter reads as follows: Tegucigalpa's EL HERALDO, San Pedro Sula's TIEMPO, Tegucigalpa's LA TRIBUNA and San Pedro Sula's LA PRENSA.

The kidnappers have given the following instructions for the publication and dissemination of their document: The manifesto must be aired on television on Monday, 20 December, in the evening cast, at the beginning of the program. The radio newscasts must broadcast the manifesto on Monday, 20 December in their afternoon casts, at 1800.

In the national and international press, the manifesto must be published on Tuesday, 21 December, in the appropriate editions, on the central pages, and without tampering in any way with the following style instructions:

A. The movement's logo must be printed in the same size and with the same characteristics as the one we have sent. The logo must be placed on the right corner of the first page of the publication.

B. The report on the original action must be printed in small characters and either framed by a rectangle or with a black background.

C. The characters must be equivalent in size to the capital letters in this document and the headlines, subheads and slogans in large, proportional characters.

D. For the international print media, the publication must be made on Tuesday, in their respective editions. The instructions will be the same as in Guatemala.

E. On Wednesday, 22 December, in the evening, the ambassador or some other appropriate person will report on television the publication in the international media. Any irregularity will cause unnecessary and annoying delays that will affect the negotiation.

F. Dr Xiomara will be released in the next few hours, after we make our verifications and the ambassador gives confirmation. We are setting a 48-hour deadline for her release.

G. This will be the last communication. The conditions and instructions are complete and well outlined. Any request for either contact or communication will be referred to this communication.

[Signed] People's Revolutionary Movement

CPD, Pedro Diaz Command

Freedom or Death!

An important detail for Honduran listeners: The text of the political manifesto is already in the Guatemalan Government's hands and has also been sent to the various Guatemalan media chosen for publication. There is a problem, however, since the Guatemalan Government announced this evening that it will permit publication of the political manifesto only if Dr Xiomara Suazo Estrada is released prior to the publication. The is the principal condition. According to the government, Dr Suazo must be released and turned over to some welfare or educational institution.

SAN MARCOS' ALARMED' BY RECENT KIDNAPPING WAVE

PA212035 Guatemala City Radio Mundial Network in Spanish 1200 GMT 21 Dec 82

[Text] (Joel Paz Letola), our correspondent in San Marcos, has reported that a man named (Mario Vasquez) was kidnapped Friday night. The kidnapping occurred in Canton (Recuerdo), Nuevo Progreso, in the San Marcos Department, where unidentified heavily armed men took him to an unknown destination.

Another case occurred in La Blanca, in the Ocos, San Marcos jurisdiction, when heavily armed men with their faces concealed kidnapped (Catalino Rivera). Our correspondent (Paz Letola) added that there have been 15 kidnapping cases this week in San Marcos Department, and, for this reason, neighbors from various places have asked for government protection.

[Words indistinct] people are in constant fear of this type of crime committed by unidentified individuals against honest and hard working people, and therefore request the intervention of the army and National Police in order to arrest those responsible for the various kidnappings, it was finally said. Residents in San Marcos Department are alarmed by the wave of kidnappings carried out in recent days by groups of unidentified individuals. According to our correspondent (Joel Paz Letola) a total of 15 people have been kidnapped in only 1 week.

Our correspondent (Paz Letola) reported that heavily armed unidentified individuals kidnapped (Mario Arcadio Valle Ispamaca) in the Esquipulas village municipality of Tejutla in San Marcos Department. (Paz Letola) added that the victim of the kidnapping was at the residence of (Elsa Ramirez) when the kidnappers arrived and left with him for an unknown destination.

HONDURAS

GOVERNMENT APPOINTS NEW MINISTERS, ADVISER

PA211755 Tegucigalpa Televisora Hondurena in Spanish 0130 GMT 21 Dec 82

[Text] The "Today" newscast has been told that Arturo Corleto Moreira, finance and public credit minister, will be appointed economy minister. Economy and Commerce Minister Gustavo Alfaro will be appointed personal adviser to Honduran President Roberto Suazo Cordova with the rank of minister without portfolio. (Areste Ochoa), now Honduran director at the Central American Bank for Economic Integration, will be appointed finance minister, replacing Arturo Corleto.

CORRECTION TO PAZ BARNICA LETTER TO UN, OAS

The following correction pertains to the item entitled "Paz Barnica Addresses Letter to UN, OAS," published in the 21 December Latin America DAILY REPORT, P 8, paragraph four, line seven:

...my government to charge to Your Excellency that this constitutes a menace... (rewording for clarity)

NICARAGUA

ANNIHILATION OF COUNTERREVOLUTIONARIES' SEEN

PA211225 Managua Radio Sandino Network in Spanish 1200 GMT 20 Dec 82

[Text] Capt (Rodrigo Gonzalez Garcia), chief of the Sandinist Peoples Army [EPS] in the Jalapa region, has reported that counterrevolutionary groups that have received harsh blows in (Nubarrones), (El Aguila de Jesus) and Murra hills, northeast of Jalapa, are being trained at (La Lodosa), (Poza Redonda), (Igaranito), La Estrella, Las Delicias and Trojes camps located in Honduran territory, in order to launch large-scale attacks and aggressions against Nueva Segovia Department.

He maintained that more than 1,500 men are gathering there to receive military training and to carry out large-scale terrorist acts against EPS positions, production centers and communications installations in the area.

(Gonzalez Garcia) spoke to approximately 20 representatives of the Honduran, U.S. and Nicaraguan news agencies and praised the high morale of the border guard troops, the army reserves, the EPS militias and the people in order to prevent the infiltration of the enemies of the revolution:

[Begin (Gonzalez Garcia) recording] We feel that in view of this (?training) of counterrevolutionary groups we might expect new military actions in the next few days. Perhaps they will be the decisive actions. We are getting ready to deal them a final blow: their annihilation. Perhaps it will not be the physical annihilation of the counterrevolution as a whole, but it will be the final annihilation. We understand that they feel the next action will be their last chance, that after that the opportunity will be completely lost.

We want to pass on some essential information to you: The counterrevolution is made up of the national guardsmen of the past. The commanders of the counterrevolution are the commanders of the EEBI [Basic Infantry Training School] and the National Guard of the Somoza dictatorship. The soldiers of the counterrevolution are the soldiers of the National Guard of the past. Perhaps some displaced peasants [word indistinct] vagrants and drug addicts have joined them. In other words, his is a very heterogeneous force. They are not fighting for any ideals. They just carry this desire to fight within themselves. Therefore, they are not a monolithic force. They are a heterogeneous force. They have no fighting possibilities or spirit. However, they are assassins [words indistinct] but we are capable of dealing the next blows and of annihiliating the counterrevolution as a large force. We feel that as long as the Honduran Government helps it, we will always have small counterrevolutionary actions directed from Honduras against a specific target. [end recording]

TECHNICAL COLLABORATION PACT SIGNED WITH USSR

PA212010 Managua BARRICADA in Spanish 16 Dec 82 p 12

[Text] Last night at Government House a technical cooperation agreement was signed by Nikolai Pavlovich, deputy chairman of the Gosplan of the USSR, and Nestor Avendano, Nicaragua's deputy planning minister. The cooperation agreement was signed in the presence of members of the Joint National Directorate of the FSLN: Revolutionary Commanders Daniel Ortega, coordinator of the JGRN; Henry Ruiz, planning minister; Jaime Wheelock, agricultural development minister; and Dr Sergio Ramirez, member.

EPS DISCOVERS CLANDESTINE CEMETERY IN JALAPA

PA211535 Managua Radio Sandino Network in Spanish 1200 GMT 21 Dec 82

[Text] A clandestine cemetery where the bodies of 13 peasants were buried by counterrevolutionary units in the northeastern zone of Jalapa was discovered by the Sandinist armed forces. Thirteen peasant companeros, including two women and a girl, were murdered by the counterrevolutionaries and buried in a clandestine cemetery located on (La Loma) hill, a few meters from the Honduran border.

The discovery was made by Sandinist combatants after defeating Somozist guard bands numbering 500-600. The counterrevolutionaries were forced to withdraw into Honduran territory.

These counterrevolutionary military units had an organization and structure involving a command support and logistical supply group coming from Honduras. Over 500 counterrevolutionaries infiltrated as far as El Aguila hill and dug about 1,800 meters of trenches in the La Providencia Zone. They were defeated, evicted and forced to withdraw into Honduras through the courage, high combat morale and rifle fire of the Sandinist combatants, who are ready to bury the enemies' hearts in the mountain.

ANUDE CALLS FOR UNITY OF OPPOSITION GROUPS

PA211905 San Jose LA NACION in Spanish 13 Dec 82 p 27-A

[Paid advertisement by the Nicaraguan Assembly of Democratic Unity entitled "Appeal to Nicaraguans for Unity," released in "Central America" on 8 December 1982]

[Text] The Nicaraguan Assembly of Democratic Unity [Anude], a pluralist civic organization that struggles from abroad to establish a system characterized by democracy and freedom in Nicaragua, urges all organizations, coalitions, groups and individuals that also work against the FSLN commanders' regime and on behalf of a democratic system to join efforts to achieve the historical and unrenounceable goal of establishing democracy in Nicaragua.

The unity of all those currently fighting for the same cause cannot be delayed. It is a patriotic and unavoidable duty at a time when the Nicaraguan people are suffering under a tyranny that not only denies civic freedoms but also threatens to destroy the most profound Nicaraguan aspirations and traditions in the moral, religious and domestic areas.

We must unite around democratic stands that reflect and make viable the aspirations of all Nicaraguans while preventing a return to the vices and outrages that characterized the Somozist past, or the vices and outrages of the current Sandinist regime.

While our people suffer repression, hunger and persecution by the FSLN party's dictatorship, we Nicaraguans who love our homeland must abandon positions that merely help prolong the Nicaraguan people's agony.

Anude, therefore, urges you to abandon any attitude that might hinder unity and to prepare to joint efforts and gather all the necessary energy so that 1983 can definitely become the year of Nicaragua's liberation.

[Signed] Nicaraguan Assembly of Democratic Unity [Anude]

For the Central Executive Committee:

Jose Esteban Gonzalez, secretary general

Wilfredo Montalvan, president of the Commission for Politcial and Legal Affairs

Responsible Signature: Mario Alfaro Alvarado, cedula No 116-36280-16980

DEMOCRATIC MOVEMENT ON DEATH OF 75 CHILDREN

PA212233 San Jose LA NACION in Spanish 13 Dec 82 p 50-A

[Paid advertisement placed by the Nicaraguan Democratic Movement: "The Nicaraguan Democratic Column"]

[Text] The death of approximately 75 children, who burned to death when a Soviet-made military helicopter crashed in northern Nicaragua, was yet another crime commited by the Herods in the FSLN's army. The helicopter crashed while these children were being transferred to another region without their parents, in an operation intended to force their parents not to flee across the border to Honduras from the totalitarian communist terror imposed in Nicaragua.

We had already had reports that all of the residents of this region, which is currently under military control, were being moved against their will to new "settlements," as the communists call their forced concentration camps. What could be done to force them to the "settlement" and to keep them from fleeing to Honduras in search of freedom? The communists found a simple solution: They simply removed their children by force and took them to the new "settlement." Afterward, parents, moved by their love for their children, would agree to be transferred.

What other explanation is there for the fact that these children were traveling alone? A helicopter carrying 75 children, none of them accompanied by their fathers or mothers? Why only children?

Although the FSLN, in its death throes, has declared that Reagan, imperialism and the CIA are responsible for the accident, as usual, it is in fact nothing but a Herod-like crime committed by the nine troublemakers and their gang of power usurpers.

The Miskito Council of Elders had earlier protested the attacks on this ethnic group at the 12th OAS General Assembly. However, these charges were skillfully minimized by the use of Marxist-Leninist propaganda and were further furstrated by the indifference of those in the OAS who prefer the accommodating posture of closing their eyes and ears to accusations that present a perfectly clear picture of the new terrorist regime that is oppressing Nicaragua.

Thank God, it is obvious that the pseudo-Sandinist misgovernment has very little credibility in Central America. First there was the extravagantly horrifying concoction of Argentine citizen Hector Frances, who -- having been beaten and kidnapped by Nicaraguan terrorists in San Jose -- appeared on Nicaraguan television in Managua, blaming everyone, even the Costa Rican Government, for an alleged "counterrevolutionary" conspiracy.

No one swallowed such a ridiculous story, however, and no one will believe the tale that the "counterrevolutionaries" killed the 75 children on the helicopter.

They may fill entire pages in BARRICADA, but the Nicaraguan people will not believe their lies. Even though they try to poison Costa Rica's pure, democratic air with their radios, their hollow words have the stamp of Marxist-Leninist rhetoric. The Nicaraguan people "do not believe their slogans, do not listen to their radio stations and do not sit at the table with gangsters," to repeat Ernesto Cardenal's psalm, which has now become a matter of regret for its author. The silent rebellion is underway and the people themselves will pass sentence on the nine and their gang for this new crime against 75 innocent native children. This time, Herod will not get away with it.

Signed: Guillermo Sanchez Canales, cedula No 048865

BRIEFS

AMBASSADOR TO BOLIVIA -- Ramon Leets has been appointed Nicaragua's new ambassador to Bolivia. Leets, who was formerly in charge of the FSLN International Relations Department's South American section, will be replaced by Bolivar Diaz. [Managua EL NUEVO DIARIO in Spanish 8 Dec 82 p 4 PA]

DEPUTY JUSTICE MINISTER -- Junta member Rafael Cordova Rivas has sworn in Boris Vega as the new deputy minister of justice. [Managua BARRICADA in Spanish 7 Dec 82 p 12 PA]

EXPORT STATISTICS -- A report issued by the Foreign Trade Ministry indicates that Nicaragua exported $298 million worth of goods by the end of November. At a news conference today, ministry spokesman Alenka Bermudez said that as of 20 November, 1981-1982 export statistics were as follows: $111.8 million in coffee exports, $86,489,567 in cotton, $36,202,855 in sugar and $26,944,137 in meat products. The report also notes that $17,641,630.73 have been received from the export of sea products. [Managua LA PRENSA in Spanish 6 Dec 82 p 5 PA]

DAIRY PROJECT INAUGURATED -- The FSLN recently inaugurated the first phase of the Chiltepe genetic project, which involves the use of 6,200 hectares in the Chiltepe Peninsula. The project, which is scheduled to be completed in 3 years, will include 56 dairies that will meet 10 percent of the nation's demand for milk, thus saving $10 million per year in imports. The project will cost around 320 million cordobas. The Cuban people have donated technological aid, the design of the installations, human resources, experiences and 56 automatic milking machines for each dairy. [Managua BARRICADA in Spanish 9 Dec 82 p 12 PA]

CASTRO ADDRESSES FEU CONGRESS IN HAVANA

FL211433 Havana Domestic Service in Spanish 1100 GMT 21 Dec 82

[Text] We are stimulated by this generation's vitality, which makes us feel enthusiastic about the future, Commander in Chief Fidel Castro asserted in his closing remarks at the Second Congress of the Federation of University Students [FEU], which held 2 days of working sessions in this capital.

The party's first secretary stated that a lot has been accomplished in past years, but it makes us happy to know that the university students will never be satisfied and will always try to achieve higher goals. The president of the Councils of State and Ministers said that, even though he was not able to attend the working sessions, he was kept abreast of what was going on as well as documents the participants had examined.

Castro referred to the educational development attained by the people, above all in higher education which now has 40 centers with a total of more than 400,000 students, including the military. At this point, he recalled that in 1960 28 persons were attending classes at centers of higher education for every 10,000, while by 1982 the ratio increased to 180 for every 10,000.

Fidel noted the great efforts being made by the people, and especially the youth, to attain such successes and recalled the literacy drive, the creation of schools in every corner of the country and the mobilization of volunteer teachers to the mountains. He referred to the militant attitude maintained by all university students and recalled that tens of them joined the ranks of the Mambi Army during the War of Independence, others, later on, struggled against the thieving and puppet governments and were always loyal to the fatherland's revolutionary traditions.

Fidel noted that after the revolution achieved success, the university students incorporated themselves into its ranks very determinedly and joined the Revolutionary National Militias, fulfilling all tasks assigned to them. He recalled that after 24 years the political and ideological struggles developed by the students against imperialism could not be forgotten as well as the Escambray [Mountains], Giron, the October crisis, the participation in the literacy drive and the agrarian reform.

Fidel said that during the first years of the revolution, despite the lack of separation of classes existing in the student body, the students, contrary to what the imperialists thought, defended the socialist measures aimed at defeating the petit bourgeois spirit. For these reasons, he stressed, we can say we defeated imperialism and its ideological divisionism because we had no divisions here, rather more unity among manual and intellectual workers. Both always work without regard to the difficulties they have to face.

Elsewhere in his speech, Fidel stated that when difficult problems arise in the country, the university students step forward to solve them, and cited as examples the case of the intermediate level's insoluble problem, which was solved with the 10-year old Manuel Ascunce Domenech Detachment. From this detachment emerged the Ernesto Che Guevara Contingent, which has already sent four groups to Angola and has gained great prestige in that sister nation. The Mario Munoz Vanguard Movement and the Piti Fajardo Detachment are eloquent proof of our youth's combat readiness.

Finally, Fidel noted that in his life as a revolutionary, he has seen that what is attained many times is well above the dreams: I do not know what Villena and Mella dreamed about the future of the universities and peoples, but I believe that if they had seen our youth's spirit and awareness they would have been satisfied.

Sitting at the presiding table next to Fidel were Politburo members Carlos Rafael Rodriguez, Jose Ramon Machado Ventura, Armando Hart and Jorge Risquet and Politburo alternate members Antonio Perez Herrero and Jesus Montane as well as other party, state and mass organizations leaders.

On behalf of the more than 75,000 university students, the flag presiding over the congress, a photographic composition on the 60 years of the FEU signed by the 499 delegates and an identification of the organization were presented to Fidel.

FEU Presents New Officers

FL220230 Havana Domestic Service in Spanish 2230 GMT 21 Dec 82

[Summary] During the Second Congress of the Federation of University Students [FEU] held last night at the Central Organization of Cuban Trade Unions, Iazaro Pena Theater, Roberto Bobaina, member of the Union of Young Communists National Committee and outgoing president of the FEU, presented the new members of the FEU's National Secretariat as follows: President: (Olga Maria Oseda); Vice President: Omar Gutierrez; Secretary of Organization: Orestes Llaner; Secretary of Education: (Roberto Carti) Secretary of Culture: (Elia Moreira); Secretary of Sports: Pedro Gonzalez; Secretary of Publicity: Oscar Mederos; Secretary of Foreign Relations: Angel Arzuaga; and as Members at Large: Bruno Rodriguez, (Ana Maria Peyon) and Elena Diaz.

ALMEIDA BOSQUE ARRIVES IN ZAMBIA 21 DEC

FL212010 Havana Domestic Service in Spanish 1905 GMT 21 Dec 82

[Text] Commander of the Revolution Juan Almeida Bosque, vice president of the Council of State, today arrived in Lusaka on an official visit to Zambia as part of a tour of several African countries. Almeida, leading a Cuban delegation, had earlier visited Tanzania, Zanzibar, Cape Verde and Guinea-Bissau, meeting with the highest authorities of those countries.

USSR PROPOSAL ON EUROPEAN ARMS REDUCTION CITED

PA212334 Havana International Service in Spanish 1600 GMT 21 Dec 82

[Excerpt] The USSR has announced its willingness to maintain the same number of missiles in Europe as are deployed there by the United Kingdom and France. This would mean a considerable reduction in the number of such weapons, including the modern SS-20 missiles.

The statement was made by CPSU General Secretary Yuriy Andropov at the solemn commemoration in Moscow of the USSR's 60th anniversary. Andropov noted that, at the same time, an agreement should be reached on reducing the number of aircraft bearing medium-range nuclear weapons that are deployed in Europe both by the USSR and NATO nations, in an effort to achieve parity between the two.

Andropov urged all involved parties to take advantage of this fair opportunity while they could and warned against basing any false hopes upon it, as the USSR will never permit the security of itself and its allies to be jeopardized.

RAUL CASTRO SPEAKS AT USSR ANNIVERSARY MEETING

For the Havana Television text of the speech delivered by Raul Castro at the 21 December meeting marking the 60th anniversary of the USSR, see the USSR 60th anniversary section of the 22 December Soviet Union DAILY REPORT.

SUPREME CONGRESS BACKS GOVERNMENT POLICIES

FL201945 Bridgetown CANA in English 1808 GMT 20 Dec 82

[Text] Georgetown, Guyana, Dec 12, CANA -- The first-ever session of Guyana's Supreme Congress, a major consultative body, has ended here with support being expressed for the government's domestic and foreign policies.

Two resolutions passed supported government's rejection of a Venezuela claim to the mineral-rich Essequibo region, and its decision not to import wheat flour because of a foreign exchange shortage. Government and some opposition party representatives took part in the debate, but the country's main opposition, the People's Progressive Party (PPP) boycotted it. The motion on the border dispute rejected the "untenable claim by Venezuela to the territory of Guyana." It supported the proposal advanced by the Guyana Government in keeping with a Geneva agreement for taking the issue of a choice of means of settling the dispute to the United Nations General Assembly, the Security Council or the International Court of Justice. It also called on Venezuela to respect the letter and spirit of the Geneva agreement.

In his address to the Congress, Foreign Minister Rashleigh Jackson pledged that Guyana would continue to seek a peaceful solution to the controversy, but warned Guyanese not to be lulled into a false sense of security over Venezuela's claim of peaceful intentions.

In a resolution on the production of local food for domestic consumption and export, Congress recommended that government maintain its policy of promoting the use of local food by restricting the importation of food items for which there are local substitutes. The importation of wheat flour should not be considered a necessity even when the economic situation improves, delegates said.

The Congress resolved to support "the immediate eradication, by measures swift and effective, of illicit trade in all its forms."

It also recommended that parliament quickly pass legislation on a draft bill to give legal force to a committee to investigate all cases of corruption referred to it by President Burnham.

Responding to Guyana President Forbes Burnham's call for measures to increase agricultural production and the exploitation of Guyana's national resources, the Congress called on Guyanese to cultivate all available lands in their areas. It recommended that the principle of "land to the tiller" enshrined in the 1980 Constitution be made an early reality.

All unutilised lands under the control of the state-run Guyana Sugar Corporation (GSC) should be immediately put under cassava cultivation, Congress said.

The bauxite industry and local authorities in the Linden bauxite regions should also immediately commence cultivation of cassava to meet the starch needs of the bauxite industry, the Congress urged.

It also called for early action to identify in greater detail the location and extent of Guyana's natural resources which can be exploited in the immediate and short term, and the urgent establishment of an effective marketing policy for both domestic utlisation and export of such resources.

CHEDDI JAGAN SUPPORTS SURINAME CLAMPDOWN

FL202001 Bridgetown CANA in English 1912 GMT 20 Dec 82

[Text] Georgetown, Guyana, Dec 20, CANA -- Guyana's main opposition group, the Marxist People's Progressive Party (PPP) today supported the political clampdown by the military rulers in neighbouring Suriname, saying the action represented a stepping on the tails of "counter-revolutionary serpents." PPP leader, former Guyana Premier Dr Cheddi Jagan also said he did not believe unconfirmed reports of Cuban troops being in Suriname helping the military.

Earlier this month Suriname's military rulers said 15 persons suspected of plotting to overthrow them had been gunned down by loyal troops after trying to escape from custody. The group included Surinames top unionist, Cyril Daal, lawyers, journalists and former Sports Minister Andre Kamperveen.

Caribbean trade union leaders who met here last week described the killings as executions and claimed the military strongman Daysi Bouterse who took power in a 1980 coup had fabricated the plot to get rid of his major opponents.

But Dr Jagan said: "...the Suriname revolution stepped on the tails of the counter-revolutionary serpents..."

Dr Jagan urged Guyanese "to take example and courage from the Suriname revolution and to support progressive changes taking place in the neighbouring republic."

He also said his party declared its "invariable support for Commander-in-Chief Daysi Bouterse," and stood ready "to render all possible support within our means to defend our Surinamese brothers and sisters and to safeguard the revolution."

Dr Jagan said a well-known destabilisation trick of the U.S. Central Intelligence Agency (CIA) was to invent stories about Cuban troops against progressive governments. "It was used against the Jagan government in Guyana by the PNC (ruling People's National Congress), against the (Michael) Manley government in Jamaica, against Nicaragua and Grenada, and now against the liberation forces in El Salvador," the opposition leader said.

BRIEFS

IMF BUYS SDRS -- Bridgetown, Barbados, Dec. 20, CANA -- The IMF has agreed to a purchase of the equivalent of 5.93 million special drawing rights (SDRS) by the financially-beleaguered Government of Guyana, according to a statement issued here. The purchase is under the compensatory financing facility in respect of payments difficulties produced by a temporary export shortfall experienced by Guyana in the 12-month period ending June 1982, according to the statement from the United Nations Information Centre for the Caribbean. It said: "Exports in the shortfall year declined by 19 percent from the level of the previous year as the result of falls in exports of sugar, rice, calcined bauxite, alumina, and alumina hydrate. The drop in receipts from sugar exports reflected declines in both prices and volume, and the shortfalls for the three mineral products were due mainly to reduced demand because of the slowdown in economic activity in the industrial countries. Guyana's quota in the fund is 37.5 million SDRS and its outstanding financial obligations to the funds, excluding trust fund loans, currently total the equivalent of 72.96 million SDRS. [Bridgetown CANA in English 1933 GMT 20 Dec 82 FL]